State of Arkansas *As Engrossed: H2/20/25 S3/4/25*
95th General Assembly **A Bill**
Regular Session, 2025 HOUSE BILL 1508

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

For An Act To Be Entitled

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

Subtitle

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

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

SECTION 1. DO NOT CODIFY. Repeal of Arkansas Code, Title 19 — Exceptions.

(a) Except *as* provided in subsection (b) of this section, Arkansas Code, Title 19, is repealed.

(b) The following portions of Arkansas Code, Title 19, are not repealed:

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

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

(3) The Appendix to Arkansas Code, Title 19; and

(4) Sections for which repeal is prohibited under Section 373 of this act.

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

(a) The General Assembly finds that:

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

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

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

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

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

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

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

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

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

19-4-803. Exemptions.

(a) The following are exempt from this subchapter:

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

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

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

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

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

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

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

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

(9) The State Treasury Money Management Trust; and

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

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

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

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

SECTION 4. Arkansas Code §§ 19-12-101 — 19-12-118, resulting from

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

19-90-101. Title.

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

19-90-102. Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

compliance with § 19-90-103(c).

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

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

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

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

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

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

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

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

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

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

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

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

issued for this project; and

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) There is hereby created and established 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 created as a public trust for the benefit of the State of Arkansas, to be known as the "Arkansas Healthy Century Trust Fund", which Trust Fund shall be administered by the State Board of Finance. Such fund shall be restricted in its use and is to be used solely as provided in this chapter.

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

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

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

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

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

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

and

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

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

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

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

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

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

(a) There is hereby created and established 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 “Tobacco Settlement Program Fund”, which fund shall be administered by the State Board of Finance. All moneys deposited into the Tobacco Settlement Program Fund are hereby restricted in their use and to be used solely as provided in this chapter. All expenditures and obligations that are payable from the Tobacco Settlement Program Fund and from each of the program accounts shall be subject to the same fiscal

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Medical Sciences — thirty-three per cent (33%);

(2) Area Health Education Center located in Helena — twenty-two per cent (22%);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) community prevention programs that reduce youth tobacco use;

(2) local school programs for education and prevention in grades kindergarten through twelve (K-12) that should include school nurses, where appropriate;

(3) enforcement of youth tobacco control laws;

(4) state-wide programs with youth involvement to increase local coalition activities;

(5) tobacco cessation programs;

(6) tobacco-related disease prevention programs;

(7) a comprehensive public awareness and health promotion campaign;

(8) grants and contracts funded pursuant to this chapter for monitoring and evaluation, as well as data gathering; and

(9) other programs as deemed necessary by the board.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

areas set forth hereinafter.

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

(1) to conduct agricultural research with medical implications;

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

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

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

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

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

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

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

(A) provide overall coordination of the program;

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

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

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

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

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

(ii) the subject of research grants;

(iii) the relationship between federal and state

funding for research;

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

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

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

(d) Director. The Director of the Arkansas Biosciences Institute shall be appointed by the President of the University of Arkansas, in consultation with the President of Arkansas State University, and the President of Arkansas Children's Hospital, and based upon the advice and recommendation of the Arkansas Biosciences Institute Board. The Director shall be an employee of the University of Arkansas and shall serve at the pleasure of the President of the University of Arkansas. The Director shall be responsible for recommending policies and procedures to the Arkansas Biosciences Institute Board for its internal operation and shall establish and ensure methods of communication among the units and divisions of the University of Arkansas, Arkansas Children's Hospital and Arkansas State University and their faculty and employees engaged in research under the auspices of the Arkansas Biosciences Institute. The Director shall undertake such administrative duties as may be necessary to facilitate conduct of research under the auspices of the Arkansas Biosciences Institute. The Director shall perform such other duties as are established by the President of the University of Arkansas in consultation with the President of Arkansas State University, the President of Arkansas Children's Hospital and with the input of the Arkansas Biosciences Institute Board.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(8) A citizen selected by the Governor; and

(9) A citizen selected by the Attorney General.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

health status of Arkansas;

(B) Minority Health Initiative:

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

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

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

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

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

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

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

(D) Area Health Education Center:

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

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

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

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

TITLE 19

PUBLIC FINANCE

SUBTITLE 1. GENERAL PROVISIONS

SUBTITLE 2. REVENUE STABILIZATION LAW

SUBTITLE 3. REVENUE CLASSIFICATION LAW

SUBTITLE 4. PURCHASING AND CONTRACTS
SUBTITLE 5. MISCELLANEOUS PROVISIONS

SUBTITLE 1. GENERAL PROVISIONS

CHAPTER 1. GENERAL PROVISIONS
CHAPTER 2. STATE REVENUES — RECEIPTS AND EXPENDITURES GENERALLY
CHAPTER 3. STATE TREASURY MANAGEMENT
CHAPTER 4. STATE ACCOUNTING AND BUDGETARY PROCEDURES
CHAPTER 5. DEPOSITORIES FOR PUBLIC FUNDS
CHAPTER 6. PUBLIC OBLIGATIONS
CHAPTER 7. FEDERAL FUNDS
CHAPTERS 8—19. RESERVED

CHAPTER 1
GENERAL PROVISIONS

Subchapter 1. General Provisions [Reserved.]
Subchapter 2. Fiscal Duties of Department of Finance and Administration
Subchapter 3. Officers' Surety Bonds
Subchapter 4. Investment of Public Funds
Subchapter 5. State Fiscal Management Responsibility Act

Subchapter 1 — General Provisions [Reserved.]

Subchapter 2 — Fiscal Duties of Department of Finance and Administration

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

The Secretary of the Department of Finance and Administration is the Chief Fiscal Officer of the State.

19-1-202. Secretary.

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

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

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

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

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

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

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

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

19-1-203. Deputy director.

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

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

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

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

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

19-1-204. Personnel.

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

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

19-1-205. Office.

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

19-1-206. Seal.

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

19-1-207. General accounting system.

The Secretary of the Department of Finance and Administration shall:

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

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

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

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

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

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

19-1-208. Rules.

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

19-1-209. Publications required.

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

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

(1) Members of the General Assembly;

(2) State agencies; and

(3) Others having an interest in the report.

19-1-210. Recordkeeping.

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

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

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

19-1-211. Investigations.

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

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

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

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

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

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

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

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

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

punishable as provided by law.

19-1-212. Duty to avoid deficit.

The Secretary of the Department of Finance and Administration shall:

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

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

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

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

19-1-213. Leasing of state property.

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

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

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

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

19-1-214. Federal gifts and surplusage.

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

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

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

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

(b)(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 or approve the disbursement of any funds appropriated and disbursed through the State Treasury shall obtain a bond in the following minimum amounts based on the disbursements of the agency during the preceding calendar or fiscal year:

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

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

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

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

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

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

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

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

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

clerk in the county involved.

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

19-1-304. County judges.

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

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

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

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

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

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

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

Subchapter 4 — Investment of Public Funds

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

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

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

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

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

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

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

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

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

19-1-402. Provisions supplemental.

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

19-1-403. Construction.

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

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

19-1-404. Investments permitted.

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

(A) Eligible investment securities having a maturity of

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

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

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

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

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

(A) A county board or commission;

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

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

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

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

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

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

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

(A) General obligation bonds of the United States;

(B) Bonds, notes, debentures, or other obligations issued by an agency of the United States Government;

(C) General obligation bonds of the state; or

(D) Bank certificates of deposit.

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

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

(1) Has offices in the state;

(2) Is registered with the State Securities Department;

(3) Is a member of the Financial Industry Regulatory Authority, Inc.; and

(4) Is a member of the Securities Investor Protection Corporation.

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

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

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

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

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

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

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

(A) Preservation and safety of the principal;

(B) Liquidity; and

(C) Yield.

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

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

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

Subchapter 5 — State Fiscal Management Responsibility Act

19-1-501. Title.

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

19-1-502. Intent and purpose.

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

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

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

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

19-1-503. Definitions.

As used in this subchapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

by the agency.

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

19-1-508. Notification of Department of Finance and Administration — Review.

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

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

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

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

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

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

19-1-509. Executive agencies.

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

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

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

(1) Oral or written warnings or reprimands;

(2) Suspension with or without pay for specified periods of time; or

(3) Termination of employment.

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

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

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

(2) Venue shall be:

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

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

19-1-511. Civil penalty.

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

19-1-512. Recovery of costs.

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

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

CHAPTER 2

STATE REVENUES — RECEIPTS AND EXPENDITURES GENERALLY

Subchapter 1. General Provisions
Subchapter 2. Receipts Generally
Subchapter 3. Accounts and Notes Receivable Abatement Act for the State of Arkansas
Subchapter 4. Expenditures Generally
Subchapter 5. Canceled Checks

Subchapter 1 — General Provisions

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

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

(1) Fees of every kind and character;

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

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

(4) Insurance taxes and fees;

(5) Jitney and chauffeur licenses;

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

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

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

(9) Bank examination fees; and

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

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

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

all items for which payment was made.

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

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

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

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

19-2-103. Time for making payments.

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

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

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

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

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

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

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

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

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

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

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

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

(2) Discharged from office.

Subchapter 2 — Receipts Generally

19-2-201. Acceptance of checks.

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

19-2-202. Proceedings on bad checks.

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

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

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

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

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

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

19-2-203. Receipts by Department of Finance and Administration — Additional penalty.

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

(b) The penalty imposed under this section:

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

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

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

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

Subchapter 3 — Accounts and Notes Receivable Abatement Act

19-2-301. Title.

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

19-2-302. Purpose.

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

19-2-303. Definitions.

As used in this subchapter:

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

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

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

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

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

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

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

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

19-2-304. Recording of amounts due.

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

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

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

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

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

(2)(A) Referring an account to a licensed collection agency or an attorney for collection with a remuneration not exceeding fifty percent (50%) for accounts of five hundred dollars ($500) or less and not exceeding thirty-three and one-third percent (33⅓%) for accounts in excess of five hundred dollars ($500).

(B) If a state agency is unable to procure the services of a collection agency or attorney for the collection of any account in excess of five hundred dollars ($500) for a fee of one-third (⅓) of the amount recovered as authorized in this subsection, the state agency may report this fact to the Legislative Joint Auditing Committee, and the Legislative Joint Auditing Committee may authorize the state agency to pay a higher fee for collecting the account, not to exceed fifty percent (50%);

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

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

19-2-306. Abatement of debt.

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

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

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

19-2-307. Rules.

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

Subchapter 4 — Expenditures Generally

19-2-401. Emergency expenditures.

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

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

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

(1) The nature and location of the emergency;

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

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

or agency named in the proclamation.

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

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

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

Subchapter 5 — Canceled Checks

19-2-501. Purpose.

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

19-2-502. Definition — Records of transactions with financial institutions required.

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

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

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

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

19-2-504. Transaction summaries.

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

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

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

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

(1) Stored on a CD-ROM or similar tangible digital media;

(2) Accessible through the internet; or

(3) On paper.

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

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

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

Legislative Audit.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The financial institutions may provide the digital transaction

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

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

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

19-2-508. Effect on other laws.

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

CHAPTER 3
STATE TREASURY MANAGEMENT

Subchapter 1. General Provisions [Reserved.]
Subchapter 2. Temporary Loans to Local Governments
Subchapter 3. State Treasury Management Law
Subchapter 4. State Treasury Money Management Trust Act
Subchapter 5. State Board of Finance

Subchapter 1 — General Provisions [Reserved.]

Subchapter 2 — Temporary Loans to Local Governments

19-3-201. Legislative intent.

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

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

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

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

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

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

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

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

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

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

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

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

19-3-203. Rules.

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

Subchapter 3 — State Treasury Management Law

19-3-301. Title.

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

19-3-302. Definitions.

As used in this subchapter:

(1) “Bank” means:

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

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

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

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

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

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

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

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

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

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

(A) Is created or authorized by law; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19-3-303. State Treasury accounts.

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

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

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

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

(ii) Require that:

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

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

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

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

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

(ii) Shall include without limitation records showing:

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

(b) A comparison of:

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

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

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

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

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

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

(1) A statement of:

(A) Direct receipts;

(B) Transfer receipts;

(C) Disbursements by warrant redemption; and

(D) Disbursements by transfer; and

(2) The amount of uncollected checks legally charged off;

(ii) The credit balance at the close of business; and

(iii) The composition of gross treasury fund balances.

(3) Additionally, the records shall reflect in summary form the total principal amount of securities held in trust in the Safekeeping Account.

(4) The enumeration of requirements in this subsection does not:

(A) Limit the items of summary financial information that may be included in the records or reports of the Treasurer of State; or

(B) Exclude other primary, subsidiary, or auxiliary records as may be required by law, kept by the Treasurer of State, or as may be required of the Treasurer of State by the Chief Fiscal Officer of the State in the performance of the duties of the Treasurer of State.

(b)(1) A daily and a monthly report of the information required by subsection (a) of this section shall be:

(A) Prepared by the Treasurer of State and delivered to the Chief Fiscal Officer of the State; and

(B) Open to public inspection during normal business hours.

(2) A report of the information required by subsection (a) of this section shall be delivered in electronic format annually to the Legislative Council, Arkansas Legislative Audit, and the Governor on:

(A) January 10 for the six-month period ending the immediately preceding December 31; and

(B) July 10 for the immediately preceding fiscal year.

19-3-305. Disposition of moneys received by Treasurer of State.

(a)(1) The Treasurer of State shall issue receipts to depositors of moneys into the State Treasury.

(2) On the day of receipt or as soon as practical, the moneys

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

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

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

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

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

19-3-306. Custodian of moneys and securities — Internal controls — Annual audit.

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

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

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

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

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

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

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

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

(4) Inform Arkansas Legislative Audit and the Chief Fiscal

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

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

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

19-3-307. Bank depositories generally.

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

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

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

19-3-308. Deposits in ineligible institutions.

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

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

19-3-309. Maximum amount of deposits and investments — Protection of State Treasury funds.

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

total amount of the capital base of the bank depository.

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

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

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

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

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

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

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

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

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

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

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

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

19-3-311. Term of deposit — Interest.

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

State Treasury Certificate of Deposit Investment Program.

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

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

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

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

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

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

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

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

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

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

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

all holdings exceeding cash reserves for warrant purposes.

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

19-3-313. Interest income on deposits.

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

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

19-3-314. List of deposits.

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

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

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

19-3-315. Charges on deposits.

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

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

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

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

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

section is void.

19-3-316. Discontinuance as bank depository.

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

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

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

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

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

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

19-3-317. Effect of proper deposits.

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

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

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

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

(B) Securities eligible under other law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Certificates of deposit;

(ii) Direct obligations of the United States Government;

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

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

(a) The United States Government; or

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

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

(a) The United States Government; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

State shall be made through securities brokers:

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

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

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

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

(ii) Has the goals of:

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

(b) Not showing preference toward any securities broker.

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

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

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

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

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

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

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

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

(B) The deposit and investment of funds and the purchase and sale of permissible securities may be made at any time it is advantageous to the State Treasury by the Treasurer of State under the guidelines in the State Treasury investment policy established by the State Board of Finance.

(8)(A) In order to increase investment income with minimal risk, the Treasurer of State may loan securities held in the Securities Account if, at the time the loan is executed, at least one hundred two percent (102%) of the full market value of the security loaned is collateralized by cash or securities guaranteed by the United States Government or an agency of the United States Government.

(B) At all times during the term of the loan, the collateral shall equal or exceed one hundred percent (100%) of the full market value of all securities on loan.

(C) For purposes of this subdivision (b)(8), the full market value of the collateral shall be determined on a daily basis.

(c)(1) The State Board of Finance may invest federal funds, as described in § 19-7-701 et seq., the same as state funds that are authorized by subsection (b) of this section.

(2) The proceeds of investing federal funds shall be used for the same purpose authorized for other moneys accruing to the benefit of the Securities Reserve Fund under § 19-3-321.

(d)(1) The State Board of Finance may invest funds deposited into the State Treasury by state agencies, boards, and commissions that were previously held as cash funds in a bank depository or investment depository

to enhance investment opportunities and earnings.

(2) The State Board of Finance may invest interest-bearing funds the same as state funds under subsection (b) of this section.

(3) The interest earned on investments under this subsection shall be credited under subdivision (d)(4) of this section to the interest-bearing fund.

(4) The State Board of Finance shall establish the method of computing the participants' rate of return and earning to determine the distribution to each participant.

(5) On the second business day that the State Treasury is open after the twenty-fifth day of the month, the Treasurer of State shall transfer to the participants of the fund interest earned on all State Treasury funds invested as authorized under this section during the preceding month less the proportionate share of any assessments for the expenses of administration.

19-3-319. State Treasury Certificate of Deposit Investment Program — Definitions.

(a) The policy of the State Board of Finance to set aside an amount to be invested in certificates of deposit that mature no sooner than one hundred eighty (180) days shall be known as the "State Treasury Certificate of Deposit Investment Program".

(b) The following institutions may participate in the program:

(1) National banks that have their principal offices in Arkansas or are legally operating branches in Arkansas;

(2) Banks chartered in the State of Arkansas;

(3) Banks chartered by other states that are legally operating branches in Arkansas;

(4) Savings and loan associations or savings banks chartered by the United States that have their principal offices in Arkansas or are legally operating branches in Arkansas; and

(5) Savings and loan associations chartered by the State of Arkansas.

(c)(1) Institutions that have their principal offices in Arkansas shall designate a representative at the principal office responsible for transacting business with the Treasurer of State.

(2) Institutions that do not have their principal offices in Arkansas shall designate a principal branch and a representative at the principal branch responsible for transacting business with the Treasurer of State.

(d)(1) Semiannually, or as required by the board, each participating institution shall compute and report to the Treasurer of State its Arkansas deposits, Arkansas loans, the loan-to-deposit ratio for Arkansas loans and Arkansas deposits, and its capital base.

(2) Each participating institution shall report to the board information required by the board to determine the institution's suitability as a bank depository.

(e) As used in this section:

(1) "Arkansas deposits" means deposits received by banks and credited to accounts whose account holders have Arkansas as their principal place of business or permanent home addresses; and

(2) "Arkansas loans" means the sum of:

(A) Loans made to individual borrowers residing in the State of Arkansas;

(B) Loans made to corporations or other legal entities doing business in Arkansas for which an address within Arkansas is used for transacting business;

(C) Bonds issued or loans made to the State of Arkansas or its instrumentalities;

(D) Bonds issued or loans made to political subdivisions of the State of Arkansas; and

(E) Bonds issued by Arkansas corporations.

(f) The board shall promulgate rules establishing the minimum capital requirements for a bank depository.

(g) The Treasurer of State shall establish procedures to be reviewed and approved by the board establishing guidelines for the deposit and allocation of certificates of deposit among participating institutions.

(h)(1) Interest on funds invested under this section shall be paid by participating institutions at rates established by the board.

(2) The rates shall not exceed the maximum rate, if any, that banks are permitted to pay on time certificates of deposit for the same period of time by regulations of the Federal Reserve System or the Federal

Deposit Insurance Corporation.

(i)(1) Moneys required for a purchase under this section shall be gwithdrawn from the Cash Account and paid to the issuer of the certificate of deposit.

(2) The principal amount of the certificate of deposit shall be credited to the Certificate of Deposit Account.

(j) The certificates of deposit shall be secured as required by the board.

19-3-320. Minimum balance to be maintained.

Since it is the intent of the General Assembly that the State Treasury have sufficient cash available at all times to redeem all state warrants presented for payment, the State Board of Finance shall immediately sell securities in the manner prescribed in § 19-3-318(b) when the cash balance maintained on demand deposit in bank depositories falls below the amount necessary to meet operating requirements, excluding trust funds.

19-3-321. Securities Reserve Fund.

(a)(1) In addition to the purposes for which the Securities Reserve Fund may be used under this subchapter, the Securities Reserve Fund shall be used to absorb any losses in:

(A) Securities held in the Securities Account in the State Treasury; and

(B) The Treasurer of State's account in bank depositories.

(2)(A) The balance in the Securities Reserve Fund shall always be available to absorb the losses stated in subdivision (a)(1) of this section.

(B) However, moneys in the Securities Reserve Fund in excess of one hundred thousand dollars ($100,000) shall be available at all times to the Chief Fiscal Officer of the State as authorized by § 19-26-203, there to be used as provided by law.

(b)(1) If a loss is sustained in relation to securities held at any time in the Securities Account or in the Treasurer of State's account in any bank depository and the credit balance in the Securities Reserve Fund is insufficient to absorb the loss, the Chief Fiscal Officer of the State shall transfer moneys from the Budget Stabilization Trust Fund to the Securities

Reserve Fund of an amount that, when added to the credit balance in the Securities Reserve Fund, equals the amount of the loss.

(2) It is the intent of the General Assembly that a loss shall not be sustained by an account used to make an investment or deposit.

(c)(1) On a quarterly basis, interest earned on federal funds received under the State and Local Fiscal Assistance Act of 1972, 31 U.S.C. § 6701 et seq., shall be transferred at the direction of the Chief Fiscal Officer of the State from the Securities Reserve Fund to the federal funds established for the purpose of holding these moneys in trust.

(2) Interest to be transferred shall be a pro rata share of total earned interest based on the proportion of the balances of the total federal funds established for the purpose of holding the State and Local Fiscal Assistance Act of 1972, 31 U.S.C. § 6701 et seq., moneys in trust to the balances of all investments of the State Treasury.

19-3-322. Servicing state debt — Definition.

(a) Unless otherwise specifically provided by law, the Secretary of the State Board of Finance shall be disbursing officer of appropriations made for meeting the debt service requirements of the direct general obligation bonds of this state at any time outstanding.

(b) As used in this section, "debt service requirements" means the maturing principal of, interest on, and paying agents' fees in connection with the payment of the bonds.

(c) The secretary, without fail, shall cause notice of the call to be published not less than thirty (30) days before the first date upon which such bonds may be called, with publication to be by one (1) insertion in a newspaper published in each of the cities of Little Rock, Arkansas; St. Louis, Missouri; and in a financial newspaper published in the Borough of Manhattan, City of New York, State of New York.

19-3-323. Purchase of bonds by Treasurer of State.

(a) The Treasurer of State may purchase bonds from the State of Israel that are guaranteed and backed by the full faith and credit of the government of Israel as the sovereign debt of the State of Israel.

(b) The moneys that the Treasurer of State may use in the purchase of any bonds from the State of Israel shall be those funds available for

investment under this subchapter.

Subchapter 4 — State Treasury Money Management Trust Act

19-3-401. Title.

This subchapter shall be known and may be cited as the “State Treasury Money Management Trust Act”.

19-3-402. Purpose.

The purpose of this subchapter is to create the State Treasury Money Management Trust administered by the Treasurer of State for the deposit of moneys in order to permit the joint investment of participants’ money so as to enhance investment opportunities and earnings.

19-3-403. Authorized deposits.

An entity listed below may deposit money to the State Treasury Money Management Trust for the purpose of investment:

(1) State agency’s cash funds as defined in § 19-4-801;

(2) Local governments:

(A) Any city, county, school district, or community college district of this state; and

(B) Any department, instrumentality, or agency of these entities;

(3) The Treasurer of State may invest in the State Treasury Money Management Trust to the extent State Treasury funds are not being utilized for certificates of deposit under the State Treasury Certificate of Deposit Investment Program or for trust certificates of deposit pursuant to the State Treasury Management Law, § 19-3-301 et seq.; and

(4) The Auditor of State may invest funds subject to the unclaimed property provisions of the Unclaimed Property Act, § 18-28-201 et seq., in the State Treasury Money Management Trust.

19-3-404. State Treasury Monty Management Trust provisions.

(a) The investment policy and all other policies, documents, rules, and procedures established or approved by the State Board of Finance under § 19-3-501 et seq. apply to the administration of this subchapter by the

Treasurer of State.

(b) The Treasurer of State may invest or deposit funds in the State Treasury Money Management Trust as authorized in § 19-3-318.

(c)(1) Moneys deposited into the State Treasury Money Management Trust by participants other than the State Treasury are not and shall not become part of State Treasury funds.

(2) The State Treasury Money Management Trust shall operate as a segregated account for custodial, depository, and accounting purposes.

(3)(A) A participant may deposit at will into and, up to the balance of the participant's account, obtain moneys upon demand from the State Treasury Money Management Trust.

(B) A demand for funds by a participant under this subdivision (c)(3) shall be made by notice as prescribed by the board.

(d) Each participant who elects to deposit money into the State Treasury Money Management Trust shall provide the account information required by the board, including without limitation the identity of any person authorized to conduct transactions on behalf of the participant.

(e) Any loss of principal or interest realized as the result of a participant's demand for withdrawal of funds shall be incurred by the participant requesting the withdrawal and deducted on the day the withdrawal is made.

(f)(1) The Treasurer of State may:

(A) Assess reasonable charges against the account of a participant in the State Treasury Money Management Trust for reimbursement of administration and operational expenses; and

(B) Charge a reasonable fee for managing the State Treasury Money Management Trust.

(2) The board shall set any charge or fee imposed under this subsection.

(3) Charges and fees received under this subsection shall be deposited into the State Treasury in a fund for the benefit of the Treasurer of State.

(g) All interest and earnings received on the money of the State Treasury Money Management Trust shall be credited to the State Treasury Money Management Trust for distribution to the participants of the State Treasury Money Management Trust after any charges or fees due under subsection (f) of

this section are deducted.

(h) After deducting any charges or fees due under subsection (f) of this section, on the second business day that the State Treasury is open after the twenty-fifth day of the month, the Treasurer of State shall distribute the monthly earnings of the State Treasury Money Management Trust during the preceding month.

(i) The board shall establish the method of computing a participant's rate of return, earnings, charges, fees, and expenses to determine the distribution for each participant.

(j) The monthly sum of a participant's daily earnings, after deducting administrative charges and fees under subsection (f) of this section, shall be credited to the participant's account and reinvested, unless otherwise instructed by the participant, on the distribution date stated in subsection (h) of this section.

19-3-405. Prudent investor rule.

(a) The Treasurer of State shall apply the prudent investor rule while serving in a fiduciary capacity for State Treasury Money Management Trust participants.

(b) The prudent investor rule means that in making investments, the fiduciaries shall exercise the judgment and care under the prevailing circumstances that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not for speculation but for investment, considering the permanent disposition of funds, and the probable safety of capital as well as probable income.

19-3-406. Loan of securities.

(a) In order to increase investment income with minimal risk, the Treasurer of State may loan securities held under this subchapter, but only if at the time the loan is executed at least one hundred two percent (102%) of the full market value of the security loaned is collateralized by cash or securities guaranteed by the United States Government or an agency of the United States Government.

(b) At all times during the term of the loan, the collateral shall be equal to not less than ninety-eight percent (98%) of the full market value

calculated on the total value of all securities on loan.

(c) For purposes of this section, the value of the collateral shall be determined on a daily basis.

Subchapter 5 — State Board of Finance

19-3-501. State Board of Finance — Creation — Members.

(a) The State Board of Finance is created.

(b) The board shall be composed of the following members:

(1) The Governor;

(2) The Treasurer of State;

(3) The Auditor of State;

(4) The Bank Commissioner;

(5) The Secretary of the Department of Finance and Administration;

(6) The Securities Commissioner;

(7) One (1) person with knowledge and experience in commercial banking;

(8) One (1) person who:

(A) Holds or has held a Series 7 licensure as a general securities representative; and

(B) Has at least five (5) years of experience as a general securities representative;

(9) One (1) certified public accountant who:

(A) Is licensed in Arkansas; and

(B) Has at least five (5) years of experience as a certified public accountant;

(10) One (1) member of the general public; and

(11)(A) The Insurance Commissioner.

(B) The Insurance Commissioner shall be a voting member only for the purpose of voting on health benefit plans.

(c) A board member listed in subdivisions (b)(7)-(10) of this section:

(1) Shall serve a four-year term and may be reappointed, except that the board member shall serve an initial term of either one (1) year, two (2) years, three (3) years, or four (4) years as determined by lot in order to establish staggered terms in which the term of one (1) of the four (4)

board members expires each year;

(2) Shall be paid a stipend of one hundred dollars ($100) from funds appropriated to the Treasurer of State for participation in each board meeting;

(3) Shall not have a direct financial interest in a transaction between an investment depository or bank depository and the:

(A) Board; or

(B) Treasurer of State;

(4) Shall not be related within the second degree of consanguinity or affinity to a constitutional officer or a member of the General Assembly;

(5) Shall abstain from voting on an issue that affects the board member or the procedures, profits, or funding of a business or organization of which the board member is a member; and

(6) May be removed for cause by a majority vote of the board.

(d)(1) A member listed in subdivisions (b)(7) and (8) of this section shall be appointed and may be reappointed by the President Pro Tempore of the Senate.

(2) A member listed in subdivisions (b)(9) and (10) of this section shall be appointed and may be reappointed by the Speaker of the House of Representatives.

(e) The Governor shall be Chair of the State Board of Finance, and the Treasurer of State shall be the secretary, executive officer, and disbursing agent of the board.

19-3-502. Definitions.

As used in this subchapter:

(1) “Bank depository”, “investment depository”, “securities broker”, and “State Treasury” have the meanings provided in § 19-3-302; and

(2)(A) “Direct financial interest” means the direct compensation or other remuneration to a person or a family member of a person that is attributable to an investment or a deposit of money or securities from the State Treasury.

(B) “Direct financial interest” does not include compensation from the investment or deposit of a person’s own money or securities.

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

(6) Qualifications, ethical standards, a conflict of interest policy, and criminal background check requirements that are no less stringent than the requirements of § 19-3-505 for all employees of the board or Treasurer of State who handle State Treasury funds or participate in decisions concerning the deposit or investment of State Treasury funds.

(b)(1) The board shall select the chief compliance officer within the Treasurer of State's office based upon nominations received from the Treasurer of State.

(2) The chief compliance officer shall:

(A) Be employed by the board;

(B) Work with and at the direction of the Treasurer of State consistent with the policies and directives of the board; and

(C) Serve at the pleasure of the board.

(c) The board may hire an investment consultant to examine the investment policies and investment practices for the State Treasury and make recommendations to the board, including without limitation recommendations concerning:

(1) An appropriate range for asset allocation;

(2) A target rate of return;

(3) The propriety of using money managers and, if desired, recommendations concerning money managers; and

(4) Adjustments to improve investment policies, investment allocations, or investment returns.

(d) The positions listed in subsections (b) and (c) of this section shall be funded by the appropriation for the Treasurer of State.

(e) The board may make, amend, adopt, and enforce rules and policies to regulate board procedure and execute board functions.

(f) The board shall supervise and administer the State and Public School Life and Health Insurance Program and carry out the duties set out under §§ 25-1-404 and 25-1-405.

19-3-505. Employees — Qualifications, ethical standards, and background checks.

(a) An employee of the State Board of Finance or Treasurer of State listed in § 19-3-504(b) or § 19-3-504(c) or who handles State Treasury funds or participates in decisions or making recommendations concerning the deposit

or investment of State Treasury funds:

(1) Shall meet minimum standards of expertise and experience established by the board;

(2) Shall not have a direct financial interest in a bank depository, investment depository, or securities broker; and

(3) Shall file on or before January 31 with the board for the preceding calendar year the written statement of financial interest required by § 21-8-701(d).

(b)(1)(A) The board shall obtain a state and federal criminal background check to be conducted by the Identification Bureau of the Department of Arkansas State Police and the Federal Bureau of Investigation for:

(i) Each employee listed in § 19-3-504(b) or § 19-3-504(c); and

(ii) An employee or prospective employee of the board or Treasurer of State who handles or will handle State Treasury funds or participates or will participate in making decisions or recommendations concerning the deposit or investment of State Treasury funds.

(B) The background check shall be obtained on or before:

(i) September 1, 2013, for an existing employee; and

(ii) The start of employment for a prospective employee.

(2) The state and federal criminal background check shall conform to the applicable federal standards and shall include the taking of fingerprints.

(3) The employee or prospective employee shall sign a consent to the release of information for the state and federal criminal background check.

(4) The Treasurer of State shall be responsible for the payment of any fee associated with the state and federal criminal background check.

(5) Upon completion of the state and federal criminal background check, the Identification Bureau of the Department of Arkansas State Police shall forward to the Chief Fiscal Officer of the State for review by the board all releasable information obtained concerning the employee or prospective employee.

(c) The board or Treasurer of State shall not employ an individual who

has:

(1) Been convicted of a felony or a gambling offense in a state or federal court of the United States;

(2) Been convicted of a crime involving moral turpitude;

(3) Entered into a plea agreement to avoid felony prosecution;

(4) Been or is currently subject to an administrative order by the State Bank Department or State Securities Department;

(5) Failed without justification to file the statement of financial interest required by this section; or

(6) A conflict of interest that violates the board's policy established under § 19-3-504.

CHAPTER 4

GENERAL ACCOUNTING AND BUDGETARY PROCEDURES LAW

Subchapter 1. General Provisions
Subchapter 2. Duties and Responsibilities Generally
Subchapter 3. Chief Fiscal Officer of the State
Subchapter 4. Auditor of State and Treasurer of State
Subchapter 5. Financial Management System
Subchapter 6. Annual Operations Plans of State Agencies
Subchapter 7. Expenditures Generally
Subchapter 8. Expenditure of Cash Funds
Subchapter 9. Travel Rules
Subchapter 10. Credit Cards
Subchapter 11. Approval of Expenditures
Subchapter 12. Disbursement of Public Funds
Subchapter 13. Monitoring for Deficit Spending
Subchapter 14. Construction of Buildings and Facilities
Subchapter 15. Property and Equipment Inventory
Subchapter 16. Salaries and Payroll Disbursement
Subchapter 17. Reimbursements, Collections, and Refunds
Subchapter 18. Federal Grants and Aids
Subchapter 19. Losses and Recoveries
Subchapter 20. State-Funded Expenses of Constitutional Officers
Subchapter 21. Review of Discretionary Grants

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;

(H) Develop methods for improvement and economy in organization and administration of agencies;

(I) Authorize the promulgation of reasonable rules not inconsistent with applicable laws to achieve the purposes and intent of this chapter; and

(J) Further define the powers and duties of the Secretary of the Department of Finance and Administration, sometimes referred to as the "Chief Fiscal Officer of the State", the Auditor of State, and the Treasurer of State in connection with general accounting, budgetary, and fiscal procedures.

(b)(1) It is also the purpose of this chapter to establish a comprehensive system of state budgeting and financial management that will further the capacity of the General Assembly to plan and finance the services which it determines the state should provide for its citizens and which will further the capacity of the Governor to make budgetary recommendations to the General Assembly and to execute the laws of this state.

(2) The comprehensive system of state budgeting and financial management shall include procedures for:

(A) The orderly establishment, continuing review, and periodic revision of programs, financial goals, and policies of the state;

(B) The development, coordination, and review of long-range programs and their financing that will implement goals and policies authorized by the General Assembly and the Governor;

(C) The preparation, analysis, presentation, enactment, and execution of budgets that authorize specific programs, policies, and goals and that focus attention on state services and their costs;

(D) The evaluation of alternatives to existing programs, policies, and goals that would provide more economic, efficient, or effective state services; and

(E) An evaluation and reporting system which will provide measurements of the effectiveness of program performance.

19-4-103. Penalty.

With respect to all matters for which penalties have not otherwise been provided in this act, a person who knowingly violates any of the provisions of this act is guilty of a violation and upon conviction shall be fined in

any amount not to exceed one thousand dollars ($1,000).

19-4-104. Rules.

(a) The Chief Fiscal Officer of the State may make, amend, and enforce reasonable rules not inconsistent with law that he or she deems necessary and proper to effectively carry out this chapter and the public policy as set forth in § 19-4-102.

(b) Rules promulgated by the Chief Fiscal Officer of the State under this section shall be published in an administrative procedures manual and distributed to the various state agencies.

19-4-105. Legislative staff consultation.

(a) The Department of Finance and Administration shall consult with the Legislative Auditor and the Assistant Director of the Fiscal Division of the Bureau of Legislative Research throughout each stage of planning and implementation for any new statewide accounting system.

(b) The consultation and involvement required under this section is to ensure that those capabilities to provide the required services to members and committees of the General Assembly are incorporated into the new statewide accounting system.

Subchapter 2 — Duties and Responsibilities Generally

19-4-201. Authority of Governor.

(a) The Governor shall direct the execution of the state budget as approved by the General Assembly.

(b) The Governor or the Governor-elect shall:

(1) Review the budget requests and estimates of resources;

(2) Evaluate long-range programs and consider possible alternatives to existing state agency programs, policies, and goals; and

(3) Formulate and recommend for consideration by the Legislative Council and the General Assembly a proposed comprehensive state budget of programs and proposed financing that shall include all estimated receipts and expenditures of the state government.

(c)(1) Proposed expenditures shall not exceed estimated available resources.

(2) Should the Governor or the Governor-elect propose increased taxes in order to finance all proposed programs, two (2) sets of budgets shall be submitted to the Legislative Council and the General Assembly, one (1) set based on the resources available from the then-existing tax laws and another showing the additional expenditures proposed to be financed from recommended tax increases.

(3)(A) Budget requests for administration and operation of the legislative branch, the judicial branch, the elective constitutional offices, the Arkansas Department of Transportation, the Office of the Arkansas Lottery, and the Arkansas State Game and Fish Commission shall be submitted directly to the Legislative Council without any recommendation by the Governor.

(B) Each budget request submitted under subdivision (c)(3)(A) of this section shall:

(i) Include all of the information required for other public entities under this chapter;

(ii) Be in substantially the same format as budget requests for other public entities under this chapter; and

(iii) Include a detailed listing of any unappropriated funds, including without limitation the sources of the funds, the fund balances, and the expenditures of the funds for the previous fiscal year.

(d) To carry out this section, the Governor or the Governor-elect shall:

(1) Provide for hearings, if required, with the administrative head or any other persons having knowledge thereof, of an agency submitting a budget request in order for the Governor or the Governor-elect to make his or her determinations and recommendations; and

(2) Appear or appoint a designated representative to appear before the General Assembly or any committees or interim committees of the General Assembly to present the Governor's or the Governor-elect's recommendations for the forthcoming budgetary period.

19-4-202. Authority of Legislative Council.

(a)(1) At any time they deem it advisable, the cochairs of the Legislative Council may call into meeting the membership of the Legislative

Council for consideration of budget matters.

(2) For preliminary budget studies, the Legislative Council may call before it the Chief Fiscal Officer of the State, the Director of the Bureau of Legislative Research, the Legislative Auditor, and a constitutional officer or administrative head of a state agency for the purpose of making available to the Legislative Council information the Legislative Council deems advisable.

(3) The Legislative Council shall have the power to visit and inspect any agency for the purpose of obtaining first-hand information as to the condition and needs of the agency and may appoint committees from its membership for the purpose of reporting upon these findings.

(b)(1) Not later than sixty (60) days before the convening of the General Assembly, the Legislative Council shall require from the Chief Fiscal Officer of the State the budget estimates and recommendations prepared by the Chief Fiscal Officer of the State.

(2) From time to time when called upon by the Legislative Council, the Chief Fiscal Officer of the State or his or her representative shall appear before the Legislative Council or attend meetings of the Legislative Council when required to do so for the purpose of preparing or submitting additional information on budget matters.

(c)(1) The Chief Fiscal Officer of the State and an administrative head of an agency, when requested to do so, shall lend any reasonable aid, assistance, or personnel and supply any reports or information when required to the Governor-elect for the purpose of assisting him or her in the preparation of his or her budget recommendations to be submitted to the Legislative Council.

(2) The Legislative Council shall call upon the Governor-elect or any newly elected constitutional officer, or their designated representatives, for the purpose of submitting any final recommendations or modifications of the proposed budget requests.

(d)(1) The Legislative Council, acting upon the facts submitted to it and from such other studies and hearings as the Legislative Council shall deem advisable, shall proceed to modify, revise, approve, or disallow the budget requests.

(2) The Legislative Council shall make its recommendations with respect to the approved items of the budget and publish them in a report to

be made available to every member of the General Assembly when it convenes in regular session.

(3) In recommending the proposed state budget to the General Assembly, the Legislative Council may recommend the form of the appropriation bills to be submitted and may draw or cause to be drawn the bills conforming to these recommendations for presentation to the General Assembly.

19-4-203. Authority of General Assembly.

The General Assembly and the Joint Budget Committee shall:

(1) Consider the current programs and financial plan included in the budget requests and the proposed resources for financing recommended by the Governor or the Governor-elect, including proposed goals and policies, recommended budgets, revenue proposals, and long-range programs;

(2) Adopt or recommend programs and alternatives to the financial plan recommended by the Governor or the Governor-elect as the General Assembly deems appropriate;

(3) Adopt or recommend legislation to authorize implementation of a comprehensive program and financial plan;

(4) Provide for a postaudit of financial transactions, program performance, and execution of legislative policy decisions;

(5) Provide for hearings, if required, with the administrative head or any other persons having knowledge thereof of a state agency submitting a budget request, in order to make determinations and formulate recommendations;

(6) If found necessary, visit and inspect an agency; and

(7) Propose the form of appropriation bills and write or direct the writing of appropriation bills.

19-4-204. Recommendations by Governor.

(a)(1) The Governor or the Governor-elect shall formulate the programs and financial plans to be recommended to the Legislative Council and the General Assembly after considering the state agency-proposed programs and financial plans and other programs and alternatives the Governor or the Governor-elect deems appropriate.

(2) The program and financial plan submitted by the Governor or the Governor-elect shall include:

(A) His or her goals and policies;

(B) Recommended plans to implement the goals and policies;

(C) Recommended budgets for each year for which an appropriation is being requested; and

(D) Recommended revenue measures to finance the budget.

(b) The Governor or the Governor-elect shall present the proposed comprehensive program and financial plan:

(1) To the Legislative Council for the timely consideration of the Legislative Council; and

(2)(A) In a message to a joint session of the General Assembly.

(B)(i) The message shall be accompanied by an explanatory report that summarizes recommended goals, policies, plans, and appropriations.

(ii) The explanatory report shall be furnished to each member of the General Assembly and each agency. The report shall contain the following information:

(a) The coordinated programs, goals, and objectives that the Governor or Governor-elect recommends to guide the decisions on program plans and budget appropriations;

(b) The program and budget recommendations of the Governor or Governor-elect for each year of the succeeding biennium;

(c) A summary of state receipts in the previous fiscal year, an estimate for the current fiscal year, and an estimate for each year of the succeeding biennium;

(d) A summary of expenditures during the last fiscal year, those estimated for the current fiscal year, and those recommended by the Governor or the Governor-elect for each year for which appropriations are requested; and

(e) Any additional information that will facilitate understanding by the General Assembly and the public of the proposed program and financial plan of the Governor or the Governor-elect.

19-4-205. Legislative review.

The General Assembly, the Legislative Council, and the Joint Budget Committee shall consider the by the General Assembly and the public of the Governor or the Governor-elect and determine the comprehensive program and

financial plan to support the services to be provided the citizens of the state, while keeping authorized expenditures within the estimated receipts and other available resources.

19-4-206. Conservation of appropriations in changes of administration.

(a) In those instances in which a constitutional or elective official of the State of Arkansas is due to retire from office and another constitutional official is to take his or her place, the appropriations and funds provided by the General Assembly for the operation of any such office shall be conserved so as to provide his or her successor in office with a proportionate amount of available appropriations and funds for the remainder of the fiscal year during which the change of office takes place.

(b) For the purpose of carrying out this section, it is provided that:

(1)(A) A constitutional official shall not cause, or cause to be incurred, an obligation or issue a voucher against the appropriations of his or her agency in excess of a true proportion which his or her time of service during the fiscal year of retirement bears to the fiscal year.

(B) For the purpose of establishing the time of service of any such official, the time of retirement shall be construed to be that established by the Arkansas Constitution and statutes of this state for the retirement of the constitutional and elective officials of this state;

(2)(A) Within thirty (30) days after each general election, the Auditor of State shall notify all retiring constitutional officials that they will be required to file in the office of the Auditor of State a statement, duly sworn to, setting out:

(i) The total of all vouchers issued against the appropriations of the agency;

(ii) A list of all outstanding obligations; and

(iii) A detailed list of all proposed expenditures to be made before the time of retirement.

(B) If the Auditor of State is retiring, the Chief Fiscal Officer of the State shall notify the Auditor of State to file the statement required of the Auditor of State under subdivision (b)(2)(A) of this section with the office of the Chief Fiscal Officer of the State; and

(3)(A) The Auditor of State shall not issue a warrant in payment of the voucher of an agency coming under the provisions of this section in

excess of the proportion provided for in this section. The Auditor of State shall be liable under his or her official bond for issuing any such warrant in excess of such a proportion.

(B) However, in cases of calamity or emergency, the Governor may, by proclamation, authorize an agency to exceed the limitations of this section. Under such conditions the Auditor of State and the disbursing officer shall be relieved of any liability under this section if, in making the proclamation, the Governor states the reasons for the emergency and the probable amount of the excess obligations that the agency is authorized to incur.

(c)(1) It is the purpose of this section to provide for the conservation of appropriations for the normal operations of agencies.

(2) This section is not applicable to appropriations for improvements or to special appropriations.

Subchapter 3 — Chief Fiscal Officer of the State

19-4-301. Duties and responsibilities generally.

The Chief Fiscal Officer of the State shall carry out the following duties and responsibilities:

(1) Assist the Governor or the Governor-elect in the preparation of the comprehensive program and financial plan, including the coordination and analysis of state agency programs, goals, and objectives;

(2) Develop procedures to produce the information needed for effective policy decision-making by the General Assembly and the Governor or the Governor-elect;

(3) Assist agencies in developing their statement of goals and objectives, their preparation of program plans and budget requests, and their systems of evaluating and reporting of program performance;

(4) Provide the General Assembly or its interim committees with any information they may request;

(5) Between sessions of the General Assembly, keep the Legislative Council and any interim committees of the General Assembly that request this information informed of the actual expenditures of agencies as compared to their approved budgets and of the actual performance of these agencies as compared to that predicted in the program budget requests, along

with the reasons for any deviations that exist; and

(6) Administer his or her responsibilities under the program budget provisions of this chapter so that the policy decisions and budget determinations of the General Assembly and the Governor are effectively implemented.

19-4-302. Budget information forms.

To accomplish his or her duties and responsibilities, the Secretary of the Department of Finance and Administration, in cooperation with the Legislative Council, shall design budget information forms so that comparative data of the last fiscal year, the current fiscal year, and the next biennium are presented so that state agencies can best express budgetary and program information that will be most useful to the Governor or the Governor-elect and the General Assembly in order to facilitate program formulation, execution, and accountability by:

(1) Focusing attention upon the general character and relative importance of the program to be accomplished or upon the service to be rendered and what the program or service will cost;

(2) Employing functional classifications, when practical to do so, in order to present budgets by broad program categories;

(3) Presenting budget requests by organizational units;

(4) Grouping expenditures and budget estimates by major objects of expenditures;

(5) Stating goals and objectives of agency programs;

(6) Presenting proposed plans to implement the goals and objectives, including proposed modification of existing program services and establishment of new program services, and the estimated resources required to implement the goals and objectives;

(7) Including a report of the receipts during the prior fiscal year, an estimate of the receipts during the current fiscal year, and an estimate for each year of the succeeding biennium;

(8) Presenting requested legislation required to implement the proposed programs and financial plans; and

(9) Supplying any other information necessary to carry out the purposes of this chapter.

19-4-303. Budget estimates.

In cooperation with the Legislative Council, the Secretary of the Department of Finance and Administration shall:

(1) Prepare a budget calendar or time schedule so that the submission and presentation of budget estimates will be accomplished within the desired time limits; and

(2) Prepare a budget instructional manual to establish uniformity for presentation of budget estimates by state agencies.

19-4-304. Regular and fiscal session preparations.

(a) Immediately after July 1 of each even-numbered calendar year, or earlier if determined necessary, the Secretary of the Department of Finance and Administration shall:

(1) Issue budget information forms, budget estimating instructions, and a budget calendar that has been approved by the Legislative Council, plus a budget policy letter from the Governor containing some or all of the following:

(A) Establishing maximum limitations on expenditures for the year in which estimates are being requested;

(B) Setting out the policies that will determine the Governor's priorities in the allocation of available resources;

(C) Outlining the effects of economic changes pertaining to price levels, population changes, and pending federal legislation; and

(D) Containing a review of current fiscal conditions and a prognostication of fiscal conditions for the future;

(2)(A) Visit and inspect the properties and facilities of any or all state agencies and request the administrative head or any employee of the agency to appear before the secretary to explain any matters concerning the budgetary and program requirements of the agency.

(B) If an agency fails or refuses to furnish any information with respect to budget estimates or program formulation, as and when it shall be requested by the Chief Fiscal Officer of the State, then the Chief Fiscal Officer of the State may prepare and submit his or her own recommendations as to the budgetary or program requirements of the agency;

(3) Assist agencies in the preparation of their budget proposals. This assistance may include:

(A) Technical assistance;

(B) Organization of materials;

(C) Centrally collected accounting, budgeting, personnel, and purchasing information standards and guidelines;

(D) Population and other required data; and

(E) Any other assistance that will help the agencies produce the information necessary for efficient agency management and decision making by the General Assembly and the Governor or the Governor-elect;

(4)(A) Analyze the budget estimates to evaluate and assess the priority and accuracy of agency requests in relation to policy and program objectives and the financial condition of the state and make recommendations for modifications and revision of the budget request if, in their opinion, the facts before them would justify such proposed revisions.

(B) The Chief Fiscal Officer of the State in making recommended changes shall not alter the original request unless requested to do so by the administrative head of the agency affected but shall report the original request, together with his or her own recommendations and the reasons for his or her recommendations, to the Governor, so that all agency budget estimates may be made available to the Governor or the Governor-elect, the Legislative Council, and the General Assembly for their consideration;

(5) Prepare an estimate of the general and special revenues for the next fiscal year, along with comparative data for the then-current fiscal year and past fiscal year; and

(6) Submit the budget studies, together with his or her recommendations, to the Legislative Council and to the Governor or the Governor-elect for such further recommendations as the Governor or the Governor-elect may care to make.

(b) The secretary shall submit the annual revenue forecast to the Legislative Council:

(1) By December 1 of the year preceding a fiscal session that is held in a year in which the preferential primary election will be held in May under § 7-7-203;

(2) By February 1 of a year preceding a fiscal session that is held in a year in which the preferential primary election is held in March under § 7-7-203; and

(3) No later than sixty (60) days before the start of a regular session.

19-4-305. Preliminary budget report.

The Chief Fiscal Officer of the State shall prepare the described preliminary budget report so that it shall include the following:

(1) The budget requests as submitted by the legislative branch, the judicial branch, the elective constitutional officers, the Arkansas Department of Transportation, and the Arkansas State Game and Fish Commission;

(2) The budget requests of all other state agencies, as submitted by each agency, together with the Chief Fiscal Officer of the State's analysis of the budget estimates and the executive recommendations;

(3) A recapitulation and summary of all budget information as required in this subchapter and the recommendations of the Chief Fiscal Officer of the State; and

(4) A detailed statement of the revenues and other sources of income of the state government for the past complete fiscal year, the estimated revenues of the state under existing laws, and the Governor's proposals for revisions in any tax laws necessary to balance the budget.

19-4-306. Review and control of budgets.

The Chief Fiscal Officer of the State:

(1) In cooperation with the Legislative Council, shall devise the necessary procedures, forms, and timetables to assure the same comprehensive review of all state agency requests for capital expenditures as outlined in this subchapter for operating budgets; and

(2) Shall institute the necessary budgetary and accounting controls over those capital budgets approved by the General Assembly to assure full compliance with all applicable state laws.

19-4-307. Employment classification information.

(a) At the same time a state agency submits a budget request for presession budget hearings of the Legislative Council and the Joint Budget Committee, the agency shall also submit the following information for each employment classification:

(1) The total number of persons currently employed;

(2) The number of white male employees;

(3) The number of white female employees;

(4) The total number of Caucasian employees;

(5) The number of black male employees;

(6) The number of black female employees;

(7) The number of other employees who are members of racial minorities; and

(8) The total number of minorities currently employed.

(b) An agency's budget request shall not be considered by the Legislative Council or Joint Budget Committee in a presession budget hearing unless the information required by this section is filed along with the budget request.

Subchapter 4 — Auditor of State and Treasurer of State

19-4-401. Duties generally.

Except as otherwise provided in this chapter, the offices of the Auditor of State and the Treasurer of State shall continue to perform the duties imposed by law upon these offices.

19-4-402. Auditor of State as disbursing officer.

The Auditor of State shall act as disbursing officer for the appropriations made for:

(1) Circuit judges;

(2) Prosecuting attorneys;

(3) Retired circuit and chancery judges; and

(4) The Lieutenant Governor.

19-4-403. Issuance of warrants.

The Auditor of State shall issue his or her warrants in payment of the vouchers presented to him or her by the Chief Fiscal Officer of the State only after the Auditor of State has satisfied himself or herself that this chapter has been complied with. For this purpose, the Auditor of State may conduct any further examination and preaudit of the vouchers that he or she deems necessary. A single warrant may contain payments from multiple

appropriations, classifications of appropriation, and funds.

19-4-404. Books, forms, and receipts.

(a) To provide for uniformity in fiscal procedure, the Auditor of State and the Treasurer of State are directed to establish and set up in their respective books the income, appropriation, disbursement, and fund accounts that are prescribed by the Chief Fiscal Officer of the State or as otherwise provided by law.

(b) The forms of all vouchers and other prescribed forms used in connection with the disbursement of funds in the State Treasury shall be prescribed by the Chief Fiscal Officer of the State, with the approval of the Auditor of State, or as otherwise provided by law.

(c) All forms of receipts and other prescribed forms used in connection with the recording of the receipts of the Treasurer of State shall be prescribed by the Chief Fiscal Officer of the State, with the approval of the Treasurer of State, or as otherwise provided by law.

19-4-405. Examination of records.

(a) The Auditor of State shall examine and verify the disbursement and redemption records of the Treasurer of State daily and compare them with the records in the Auditor of State's office and with the Auditor of State's redeemed warrants.

(b) As each redeemed warrant is examined and found to compare with the disbursement records, it shall be stamped over the signature of the Auditor of State. The stamp shall contain the words "VOID, STATE AUDITOR", and shall be at least one-half inch by one and one-half inches (½″ x 1½″) in size.

19-4-406. Storage of warrants.

(a)(1) The Auditor of State shall place all redeemed warrants in a secure place or vault in the Auditor of State's office, subject to the inspection by any interested citizen.

(2)(A) Except as provided in subdivision (a)(2)(B) of this section, the Auditor of State shall keep a warrant intact and without further alteration for a period of one (1) year from the close of the fiscal year in which the warrant was issued.

(B)(i) If the Auditor of State makes an electronic copy of

the warrant, the original warrant shall be kept for three (3) months.

(ii) The electronic copy of the warrant shall be maintained for a period of ten (10) years from the close of the fiscal year in which the warrant was issued.

(b) If the Legislative Auditor or the State Historian requests retention of an original warrant or the electronic copy of a warrant in excess of the time periods provided under subsection (a) of this section, the Auditor of State shall retain the warrant for such period of time as required by the Legislative Auditor or the State Historian.

(c) If federal law or regulations require the retention of certain warrants for a period longer than the period prescribed in this section, the Auditor of State shall retain the warrants for the period prescribed by the federal law or regulations.

19-4-407. Electronic warrants transfer system.

(a) The Chief Fiscal Officer of the State, the Treasurer of State, and the Auditor of State may establish an electronic warrants transfer system directly into payee's accounts in financial institutions in payment of any account allowed against the state.

(b) The Chief Fiscal Officer of the State, the Treasurer of State, and the Auditor of State, by joint rules, shall establish the standards and procedures for administering the electronic warrants transfer system, to include that the electronic warrants transfer is in such a form that a single instrument serves as electronic warrants transfer.

(c) A single electronic warrants transfer may contain payments to multiple payees, appropriations, characters, and funds.

19-4-408. Distributions to public school districts.

(a)(1) The Chief Fiscal Officer of the State, the Treasurer of State, and the Auditor of State shall establish an electronic warrants transfer system to distribute certain funds directly to an account in a financial institution, as designated by the public school district's treasurer.

(2) The Commissioner of Elementary and Secondary Education shall make the determination of the categories of funds to be distributed.

(3)(A) The public school district shall accept distributions by the electronic warrants transfer system.

(B)(i) A public school district with a district treasurer may choose to have funds first distributed to the county treasurer or directly to the school district treasurer.

(ii) If a school district with a district treasurer chooses direct distribution of funds to the school district treasurer, the State of Arkansas shall forward all state and federal funds for the district to the district treasurer, whether they are in the form of state warrants or electronic warrants transfers.

(iii) If a school district uses the county treasurer as its treasurer, the State of Arkansas shall forward all state and federal funds for the district to the county treasurer, whether they are in the form of state warrants or electronic warrants transfers.

(b) The Chief Fiscal Officer of the State, the Treasurer of State, and the Auditor of State, by joint rules, shall establish the standards and procedures for administering the electronic warrants transfer system, to include that the electronic warrants transfer is in such a form that a single instrument serves as electronic warrants transfer.

(c) A single electronic warrants transfer may contain payments to multiple public school districts, appropriations, characters, and funds.

Subchapter 5 — Financial Management System

19-4-501. General requirements.

(a) To provide necessary financial information for the Governor, members and committees of the General Assembly, and other interested state agencies, the Chief Fiscal Officer of the State shall establish a comprehensive financial management system for appropriated and cash funds of agencies.

(b) The comprehensive financial management system shall provide for an adequate control over receipts, expenditures, and balances to the end that information may always be currently available as to the financial condition of the state and its various subdivisions. The comprehensive financial management system shall:

(1) Include a modified accrual system embracing encumbrance accounting;

(2) Conform with generally accepted governmental accounting

principles; and

(3) Provide a reporting system whereby actual expenditures are compared to those predicted in the agency's annual operations plan described in subchapter 6 of this chapter.

(c) In obtaining any necessary fiscal information, the Chief Fiscal Officer of the State may make an examination of the books and records of an agency to determine the financial condition of the agency and to report on it.

19-4-502. Duties of Chief Fiscal Officer of the State generally.

The Chief Fiscal Officer of the State shall:

(1) Review postaudits of state agencies conducted by the Legislative Joint Auditing Committee and advise the Governor and the Attorney General or prosecuting attorney for legal action, if appropriate, of any improper or illegal practices;

(2) Assist the various agencies in complying with the recommendations of the Legislative Joint Auditing Committee for improving the accounting systems of the agencies;

(3) Establish a uniform chart of accounts and issue an accounting procedures manual governing statewide accounting and reporting policies and procedures;

(4) Prepare analysis and evaluation reports of the financial management system and fiscal control procedures to determine compliance with generally accepted governmental accounting principles;

(5) Adapt the financial management system to meet the particular needs of each agency while maintaining the overall integrity of the financial management system and comparability of coding and reporting for all agencies utilizing the financial management system; and

(6) Design accounting and reporting forms for use by agencies in effecting proper fiscal control procedures.

19-4-503. Deposit of funds into State Treasury.

(a) Upon request of a state agency having funds on deposit in a depository other than the State Treasury, the Chief Fiscal Officer of the State may authorize the agency to deposit the moneys into the State Treasury.

(b) The Chief Fiscal Officer of the State shall determine the

classification of the funds and shall designate or create the State Treasury fund into which the moneys are to be deposited.

(c) The appropriation acts that appropriated the cash moneys shall be construed to be in conformity with Arkansas Constitution, Article 5, § 29, and Arkansas Constitution, Article 16, § 12, for withdrawing moneys from the State Treasury.

(d) All moneys deposited into the State Treasury under this section shall be deposited as nonrevenue receipts and shall not be subjected to the provisions of § 19-21-105 unless the source of the revenue is specifically classified in § 19-41-201 or § 19-42-201.

(e) If any moneys classified as trust funds under this section earn interest, then that interest shall be credited to the trust fund.

19-4-504. Requisites of financial management system.

The financial management system shall at all times:

(1) Reflect the unencumbered balances of all State Treasury funds, fund accounts, and accounts and appropriations payable from the State Treasury;

(2) Reflect the appropriations and allotments as approved by the General Assembly;

(3) Reflect the distribution and allocation of the state revenues under the Revenue Stabilization Law, § 19-20-101 et seq., and other revenue laws of the state; and

(4) Provide a record of the expenditures, disbursements, and receipts of all state agencies.

19-4-505. State accounting system to conform to generally accepted accounting principles — Legislative intent.

(a)(1) It is the intent of the General Assembly that the state accounting system, as authorized in this subchapter, be established in conformity with generally accepted accounting principles as recognized by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, and any successor governing boards.

(2) However, the Chief Fiscal Officer of the State shall consult the Legislative Joint Auditing Committee before proposing, adopting, or

recommending compliance with any of the generally accepted accounting principles that conflict with law.

(b) It is further recognized that the state accounting system should comply with recognized principles of accounting for and reporting of public moneys in order to properly and fairly discharge to the taxpayers the state's responsibility of adequately accounting for the taxpayers' moneys.

19-4-506. Accounting and reporting capabilities.

A governmental accounting system shall make it possible both to:

(1) Present fairly and with full disclosure the financial position and results of financial operations of the funds and account groups of the governmental unit in conformity with generally accepted accounting principles; and

(2) Determine and demonstrate compliance with finance-related legal and contractual provisions.

19-4-507. Fund accounting systems.

(a) Governmental accounting systems shall be organized and operated on a fund basis.

(b) As used in this section, "fund" means a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special rules, restrictions, or limitations.

19-4-508. Interim and annual financial reports.

(a) Appropriate interim financial statements and reports of financial position, operating results, and other pertinent information shall be prepared to facilitate management control of financial operations, legislative oversight, and when necessary or desired, for external reporting purposes.

(b) An annual comprehensive financial report covering all funds and account groups of the governmental unit shall be prepared and published, including:

(1) Appropriate combined, combining, and individual fund

statements;

(2) Notes to the financial statements;

(3) Schedules;

(4) Narrative explanations; and

(5) Statistical tables.

(c)(1) General purpose financial statements may be issued separately from the annual comprehensive financial report.

(2) General purpose financial statements shall include the basic financial statements and notes to the financial statements that are essential to fair presentation of financial position and operating results and changes in financial position of proprietary funds and similar trust funds.

19-4-509. Design of financial management system.

(a)(1) The financial management system shall be designed to record transactions in accordance with generally accepted accounting principles as established by the Governmental Accounting Standards Board.

(2) The financial management system shall provide a suitable analysis of the operation, maintenance, and improvement of all state agencies and their functions.

(3) The financial management system shall furnish a breakdown and itemization of all financial transactions in accordance with the appropriations and allotments of the General Assembly, federal grants, and bank funds of the agencies.

(b) The Chief Fiscal Officer of the State shall prepare a general ledger manual covering the system of classifying financial transactions and shall supply all agencies with a copy of this general ledger manual.

19-4-510. Appropriations code manual.

(a) After the General Assembly has enacted the various appropriation measures for the support and operation of state government and its agencies, the Chief Fiscal Officer of the State shall prepare a complete code manual setting out all of the appropriations of the General Assembly, the purpose of the appropriations and the funds, fund accounts, or accounts from which the appropriations are made and shall classify them in accordance with the titles and definitions as enumerated in this chapter.

(b) After establishing the appropriation items and classifying them

under this chapter in strict conformity to the intent and purposes of the appropriation acts and within the limitations of the revenues and funds available for these purposes, it shall then be unlawful for the Chief Fiscal Officer of the State or a disbursing officer of a state agency to transfer from an appropriation item, the purpose of which is defined under this chapter, to any other appropriation item of a different classification and purpose as defined in this subchapter except when permitted by law.

19-4-511. Classification of appropriations.

(a)(1) For the purpose of establishing the proper accounts, for budgetary control, for accounting, and for other provisions of this chapter, the appropriations of the General Assembly shall be classified under one (1) or more of the classifications prescribed in §§ 19-4-512 — 19-4-516.

(2) The purposes for which these appropriations may be used are defined as prescribed in §§ 19-4-512 — 19-4-516, but not necessarily limited to those purposes.

(b) However, the state's financial management system may invoke additional budget control using features of the state's financial management system that are in addition to the appropriations of the General Assembly.

19-4-512. Personal services — Definition.

The personal services classification is for regular full-time, part-time, and extra-help employees, employer matching costs, employer special or extra compensation, overtime earnings, and other employee benefits that are legally authorized, and the personal services classification is categorized in the following subclassifications:

(1) Regular Salaries. This subclassification is applicable to all salaries and compensation, except as provided in this section, for state employees when the number of employees and maximum amounts of compensation are statutorily authorized as provided by Arkansas Constitution, Article 16, § 4, regardless of the financial resources compensating such employees within this subclassification, and regardless of when the method of salary disbursing of the institutions of higher education involves payment from state agency bank funds of the institution of higher education, subject to reimbursement to the institution of higher education for such amounts as are properly payable from funds in the State Treasury. However, the state's

financial management system may include in the subclassification of regular salaries the following:

(A) Extra Salaries. This description includes all special remuneration received by state employees in addition to regular salary that is authorized by law. Any state agency that receives an appropriation for extra salaries may pay eligible employees at the following rates, with the total additional compensation not to exceed seven thousand dollars ($7,000) per fiscal year:

(i) Physicians who are certified by the American specialty boards, at a rate of pay not to exceed four thousand five hundred dollars ($4,500) per fiscal year;

(ii) Physicians who are eligible to be certified by the American specialty boards, at a rate of pay not to exceed two thousand five hundred dollars ($2,500) per fiscal year; and

(iii) Physicians certified in child psychiatry or forensic psychiatry, an additional two thousand five hundred dollars ($2,500) per fiscal year will be allowed;

(B) Special Compensation. This description includes special remuneration when authorized by law for employee suggestion awards; and

(C) The payment of extra salaries and special compensation when authorized by law is in addition to the maximum amounts of compensation set by law for regular salaries;

(2) Extra Help.

(A) This subclassification shall be used for payment of all salaries and compensation of part-time or temporary employees, as authorized by law, who are employed one thousand five hundred (1,500) hours per fiscal year or less.

(B) This subclassification may be used to pay part-time or temporary employees who are employed for more than one thousand five hundred (1,500) hours per fiscal year if specific authorization is provided by law and if such use is within standards established by the Secretary of the Department of Finance and Administration.

(C) Extra-help funds shall not be used to pay additional compensation to a full-time state employee.

(D) As used in this section, “state employee” means any

employee occupying a regular salaried position for a state agency, board, commission, department, or institution of higher education;

(3) Overtime. This subclassification is applicable for payment of services performed in excess of normal hours of work during a specific time when specifically authorized by law; and

(4) Personal Services Matching.

(A) This subclassification represents the state agency's proportion of the amounts necessary to contribute the state agency's share or to match the deductions from the salaries of state employees for:

(i) Social Security;

(ii) Retirement;

(iii) Group employee insurance programs;

(iv) Workers' compensation;

(v) Unemployment compensation contributions; and

(vi) A state contribution for state employee retirees who are eligible to participate in the health and life insurance programs offered by the state as defined by § 21-5-411 and as authorized by the Chief Fiscal Officer of the State.

(B) The Chief Fiscal Officer of the State may make appropriate reclassifications of the state agency's appropriation for maintenance and general operation to effect the payment of personal services matching as described in this subdivision (4).

19-4-513. Maintenance and general operation.

(a) The maintenance and general operation classification covers items of expense necessary for the proper and efficient operation of the state agency, authority, board, commission, department, or institution of higher education, except as otherwise classified in this subchapter.

(b) It is recognized that in those instances in which the maintenance and general operation line-item classification is not subclassified, the state agency may expend moneys for operations in compliance with the intent of this subchapter.

(c) If an appropriation for maintenance and general operation authorized for a state agency, board, department, or institution of higher education is restricted in its use by budget classification as set out in subsection (d) of this section, transfers between such classifications may be

made subject to the procedures set out as follows:

(1)(A) If the amount of any of the budget classifications of maintenance and general operation in an agency's appropriation act are found by the administrative head of the agency to be inadequate, then the agency head may request, upon forms provided for such a purpose by the Chief Fiscal Officer of the State, a modification of the amounts of the budget classification. In that event, the agency head shall set out on the forms the particular classifications for which he or she is requesting an increase or decrease, the amounts thereof, and his or her reasons for requesting a modification of the amounts of the budget classification.

(B) The total amount of the budget shall not exceed either the amount of the appropriation or the amount of the funds available.

(C)(i) Except as provided in subdivision (c)(1)(C)(ii) of this section, transfers shall not be made from the capital outlay or data processing subclassification unless specific authority for those transfers is provided by law.

(ii) Transfers from capital outlay to data processing may be made when it is determined by the Division of Information Systems that data processing services for a state agency can be performed on a more cost-efficient basis by the division than through the purchase of data processing equipment by that state agency;

(2)(A) In considering the proposed modification as prepared and submitted by each state agency, the Chief Fiscal Officer of the State shall make such studies as he or she deems necessary.

(B) If the requested transfer, when added to other transfers previously approved during the fiscal year for the same classification with the same appropriation, would result in a deviation of any kind in the affected classifications of less than five percent (5%) up to a maximum of two thousand five hundred dollars ($2,500) from the classifications established by law, the Chief Fiscal Officer of the State shall approve the requested transfer if in his or her opinion it is in the best interest of the state.

(C) If the requested transfer, when added to other transfers previously approved during the fiscal year for the same classification within the same appropriation, would result in a deviation of five percent (5%) or more, or more than two thousand five hundred dollars

($2,500), the Chief Fiscal Officer of the State shall submit the request, along with his or her recommendation, to the Legislative Council for its advice before approving the request; and

(3) If a state agency expends or obligates any approved budget in excess of the maximum classification, the Chief Fiscal Officer of the State shall study the reasons for the excess expenditures and shall take immediate steps to correct the excess spending that he or she deems necessary after notification of such actions has been sent to the Legislative Council.

(d) Maintenance and general operation may be further categorized into the following subclassifications and the expenses of each subclassification shall be used according to the subclassification:

(1) Operating Expenses. This subclassification includes without limitation expenses associated with the following:

(A) Postage, telephone, and telegraph;

(B) Transportation of commodities or objects;

(C) Printing;

(D) State-owned motor vehicles;

(E) Advertising;

(F) Minor and major repairs;

(G) Maintenance contracts;

(H) Utilities and fuel;

(I) Insurance premiums, surety and performance bonds, and association dues and memberships;

(J) Contractual services not otherwise classified;

(K) Consumable supplies, materials, and commodities;

(L) Books, publications, and newspapers;

(M) Court costs;

(N) Equipment not capitalized;

(O) Applicable petty cash reimbursements, laundry, and taxes;

(P) Travel, subsistence, meals, lodging, transportation of state employees or officials, and nonstate employees traveling on official business;

(Q)(i) Uniforms the agency requires its employees to wear as part of the job.

(ii) Clothing items purchased for its employees and

not required to be worn during working hours, or which are purchased for the promotion of the agency, shall not be subclassified as an operating expense;

(R) Other items of operating expense that are provided by the appropriation act or under reasonable rules and procedures issued by the Chief Fiscal Officer of the State; and

(S) Debt service on equipment or measures required by a guaranteed energy cost savings contract executed under the Guaranteed Energy Cost Savings Act, § 19-68-101 et seq., or an energy efficiency project financed under the State Entity Energy Efficiency Project Bond Act, § 15-5-1801 et seq.;

(2) Conference and Travel Expenses. This subclassification includes:

(A) The costs of a state employee attending a conference, seminar, or training program; and

(B) The costs of a state agency-sponsored or hosted conference, seminar, or training program when the expenses are not otherwise classified according to this section;

(3) Professional Fees. This subclassification includes the expenses for contractual agreements entered into by the state agency with an individual, partnership, corporation, or anyone other than a state employee to provide a particular document, report, speech, study, or commodity other than those contractual agreements that by their nature would be classified elsewhere in this subchapter;

(4) Capital Outlay. This subclassification includes without limitation the following expenses:

(A) Purchase of land, buildings, equipment, furniture, and fixtures; and

(B) Contractual agreements, all of which are to be capitalized from the maintenance and general operation classification of appropriation; and

(5) Data Processing. This subclassification includes purchase of data processing services from the division, or others, and other expenses that are not necessarily classified elsewhere in this section by virtue of the appropriation based upon budgets presented for consideration.

(e) Notwithstanding this section or any other law to the contrary, state-supported colleges and universities may utilize maintenance and

operation appropriations for the payment of moving expenses of employees, including new hires.

19-4-514. Grants, assistance, and special aid.

The grants, assistance, and special aid classification is applicable to all appropriations made by the General Assembly from state, federal, or other moneys for educational assistance, welfare grants, rehabilitation services, aid to counties and municipalities, and to all other special appropriations that have for their purpose the appropriating of state, federal, or other moneys for public benefits.

19-4-515. Construction and permanent improvements.

(a)(1) The construction and permanent improvements classification is determined by the language of the appropriation acts that make available funds for construction and new improvements. For the purpose of classifying the expenditures under any such appropriation, all the necessary expenses in connection with the appropriation are part of the construction costs. These items of expense include without limitation the following:

(A) Advertising for bids;

(B) Architects, engineers, and other professional services in connection with the proposed projects; and

(C) The payment of estimates on the various contracts in connection with such construction programs.

(2) All construction and improvements are subject to §§ 19-4-1401 — 19-4-1411 and to the rules promulgated by the Chief Fiscal Officer of the State.

(3)(A)(i) A state agency for which appropriations have been made by the General Assembly for construction or improvements shall not make any contract or incur any indebtedness payable from the appropriations unless there are sufficient funds on hand, for the benefit of any agency, to pay for the proposed obligations under the contracts.

(ii) However, an agency may accept and use grants and donations and use its unobligated cash income or other funds available to it for the purpose of supplementing the appropriations for construction purposes.

(B) The appropriations and funds otherwise provided by the

General Assembly for personal services, maintenance, and general operation of an agency shall not be used in connection with any proposed construction projects for which specific appropriations have been made by the General Assembly, except for minor repairs and maintenance.

(b) The restrictions of this section do not apply to contracts approved by the State Highway Commission for construction of roads and bridges in the highway system.

(c) The Chief Fiscal Officer of the State may reclassify but not consolidate an agency's appropriation for construction to effect the payment of construction-related costs in the appropriate classification as described in this subchapter using the state's financial management system to invoke budget control.

19-4-516. Special appropriations.

(a)(1) All other appropriations made by the General Assembly that do not come under any of the classifications referenced in this subchapter are special appropriations and shall be used only for the specific purposes for which the appropriations are made.

(2) Except as otherwise provided by law, an agency receiving a special appropriation shall not expend funds from any appropriation other than from the special appropriation for the special purpose covered by the special appropriation.

(3) The state's financial management system may invoke additional budget control using features of the financial management system that are in addition to the appropriations of the General Assembly.

(b) To allow for full disclosure of investment transactions, to make available special reports on investment transactions, and to isolate investment expenditures from normal expenditures, the Chief Fiscal Officer of the State may establish separate appropriation codes for investments and transfer to those appropriations from the investment line item as established in the agency appropriation acts.

(c)(1)(A) An agency may request a special appropriation for promotional items by submitting a written request to the Chief Fiscal Officer of the State.

(B) A written request for a special appropriation under subdivision (c)(1)(A) of this section shall:

(i) Specify the amount of the requested special appropriation, the authorized appropriation section for the requested special appropriation, and the funding source to be used for the requested special appropriation; and

(ii) Provide a brief description of the type of promotional items to be purchased and the purpose for which the promotional items will be used.

(2)(A) Except as provided in subdivision (c)(2)(B) of this section, the Chief Fiscal Officer of the State may approve only up to five thousand dollars ($5,000) in cumulative written requests per agency under this subsection each fiscal year.

(B) A single written request for a special appropriation under this subsection that exceeds the limit specified in subdivision (c)(2)(A) of this section or a written request for a special appropriation under this subsection that, if approved, would result in the cumulative amount of approved written requests under this subsection exceeding the limit stated in subdivision (c)(2)(A) of this section shall be submitted to the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, for review before the Chief Fiscal Officer of the State may approve the written request.

(3) Upon approving a written request for a special appropriation under this subsection, the Chief Fiscal Officer of the State shall create a new line item for promotional items for the agency making the request and shall cause a transfer of the approved amount from the requesting agency's operating expenses to the requesting agency's promotional items line item.

19-4-517. Authority of Treasurer of State to use certain funding for operations.

(a) The Treasurer of State may utilize the funding for maintenance and general operations provided for in the Constitutional Officers Fund and State Central Services Fund to allow for reconciling items that may occur in the operations of the office of the Treasurer of State.

(b) The Treasurer of State with the advice and approval of the Legislative Joint Auditing Committee shall develop policies and procedures for proper accounting of reconciling items.

Subchapter 6 — Annual Operations Plans of State Agencies

19-4-601. Responsibility generally.

Except as limited by appropriations and funding by the General Assembly and other provisions of law, state agencies shall administer their programs as authorized by the General Assembly and are responsible for the proper management of their programs.

19-4-602. Compliance and approval required.

(a) A state agency shall not increase the salaries of its employees, employ additional employees, expend money, or incur any obligations except in accordance with law and with a properly approved annual operations plan that includes a quarterly fiscal program.

(b) Appropriations subject to this subchapter are not available for expenditures or encumbrance until the state agency has complied with this subchapter.

19-4-603. Exemptions generally.

Appropriations for retirement benefits, refunds, and Social Security requirements of the teacher and public employees retirement systems are excluded from this subchapter.

19-4-604. State-supported institutions of higher education.

(a) At least thirty (30) days before the start of each fiscal year, the Chief Fiscal Officer of the State shall make studies for the purpose of estimating the anticipated amounts of general revenues to be available for distributions under the provisions of the Revenue Stabilization Law, § 19-20-101 et seq., for the fiscal year. The Chief Fiscal Officer of the State shall compute the estimated amounts of general revenues to be available for allocation to the respective State Treasury accounts in accordance with their percentage distributions of general revenues under the Revenue Stabilization Law, § 19-20-101 et seq.

(b) The Chief Fiscal Officer of the State shall certify to each of the respective state-supported institutions of higher education, at least thirty (30) days before the start of each fiscal year, the estimated amounts of general revenues to be available for distribution to the State Treasury

account for their respective state-supported institutions of higher education. The Chief Fiscal Officer of the State shall include in each certification the quarterly allocations of the amounts that are estimated to be available for expenditures based upon these estimates.

(c) Upon receipt of the estimated amounts to be available for expenditure and after reviewing the quarterly allocation of the amounts as submitted by the Chief Fiscal Officer of the State, a state-supported institution of higher education may request revisions in the proposed quarterly allocations as certified by the Chief Fiscal Officer of the State.

(d) With the advice and consent of the Division of Higher Education, the Chief Fiscal Officer of the State shall approve requested revisions in the proposed quarterly allocations if he or she determines that:

(1) The proposed revisions in quarterly allocations do not exceed the aggregate of the estimated funds to be available from estimates of anticipated revenues and fund balances in the state-supported institution of higher education's account in the State Treasury for the fiscal year; and

(2) The revised quarterly allocations will not impose an undue hardship upon other allotments of revenues and other financial commitments to be met from the distributions of general revenues during the fiscal year.

(e) The Chief Fiscal Officer of the State shall periodically review the estimates of projected general revenue collections anticipated to be available during a fiscal year. The Chief Fiscal Officer of the State may make revisions in the amounts certified to the respective state-supported institutions of higher education based upon these estimates and may revise the quarterly amounts certified to each state-supported institution of higher education based upon the revised estimates.

(f) From time to time, a state-supported institution of higher education may request revisions in the quarterly allocations of moneys when needs of the state-supported institution of higher education require those revisions.

(g) Any unexpended balances remaining at the end of each fiscal year shall be transferred forward and made available for the support of the state-supported institution of higher education for the following fiscal year.

(h) The budget execution provisions set forth in this section are applicable to all state-supported institutions of higher education, and except for the annual fiscal program requirements, §§ 19-4-601, 19-4-602, and

19-4-605 — 19-4-607 do not apply to these state-supported institutions of higher education. These state-supported institutions of higher education are governed by this section and by procedures established under authority of § 6-61-209.

(i) The division shall coordinate with the Chief Fiscal Officer of the State for administering this section.

19-4-605. Review and approval of annual operations plans.

(a) Each state agency other than the elected constitutional officers, the legislative branch and its staff offices, the judicial branch and its staff offices, the Arkansas Department of Transportation, the Office of the Arkansas Lottery, the state-supported institutions of higher education, and the Arkansas State Game and Fish Commission shall prepare an annual operations plan for the operation of each of its assigned programs for submission to the Chief Fiscal Officer of the State.

(b) The annual operations plan shall be prepared in the form and content determined by the Chief Fiscal Officer of the State and shall be transmitted to the Department of Finance and Administration on the date prescribed by the Chief Fiscal Officer of the State.

(c) In years when the General Assembly meets in regular session, the annual operations plan shall be prepared after adjournment of the regular session and shall take fully into consideration all applicable laws, including appropriations, and shall be submitted to the Department of Finance and Administration on a date set by the Chief Fiscal Officer of the State but before July 1 of that year.

(d) The Chief Fiscal Officer of the State shall:

(1) Review each annual operations plan to determine that:

(A) It is consistent with the policy decisions of the General Assembly and the Governor;

(B) Appropriations and funding have been provided by the General Assembly;

(C) It reflects proper planning and efficient management methods; and

(D) Appropriations and funding have been made for the planned purpose and will not be exhausted before the end of the fiscal year; and

(2)(A)(i) Approve the annual operations plan if he or she is satisfied that it meets all requirements.

(ii) Otherwise, he or she shall require necessary revisions of the annual operations plan in whole or in part.

(B) This section does not allow the Chief Fiscal Officer of the State to substitute his or her individual judgment as to the operation or necessity of any program of any state agency for the judgment of the executive head or board or commission charged with the responsibility for the operation and control of that agency.

(e) Each annual operations plan shall indicate:

(1) The appropriation and funding provided by the General Assembly;

(2) A detailed budget by quarters; and

(3) Any other supporting or related information required by the Chief Fiscal Officer of the State or requested by an interim committee of the General Assembly, including the Legislative Council.

19-4-606. Fiscal controls.

To provide proper fiscal controls, the Chief Fiscal Officer of the State shall assure the implementation of the procedures set out in this section:

(1)(A) The annual operations plan of each state agency shall contain a quarterly fiscal program indicating the proposed expenditures and anticipated resources for each quarter of the ensuing fiscal year.

(B) Anticipated resources shall be based upon forecasted resources estimated to be available by the Chief Fiscal Officer of the State.

(C) If a revision of forecasted resources is made during a fiscal year, those agencies affected by the revised forecast shall submit a new quarterly fiscal program based upon the revised forecast;

(2) The Chief Fiscal Officer of the State shall review and approve the quarterly fiscal program if he or she finds that the forecasted resources will be adequate for financing the proposed program during the fiscal year and for each quarter or other appropriate period within the fiscal year;

(3) If an agency incurs expenses at a level that would exceed the proposed expenditures in its quarterly fiscal program, the Chief Fiscal

Officer of the State may require the submission of a revised quarterly fiscal program that reduces expenditures for the remainder of the fiscal year to a total that is within the level of the estimated resources available to the agency. Remaining appropriations are not available to the agency until the revised program has been submitted and approved; and

(4) In case the Chief Fiscal Officer of the State determines that the estimated revenues or other sources of income for an agency will be less than was anticipated and that consequently the funds available for the remainder of the fiscal year will be less than the amount estimated, he or she shall reduce the amount of available appropriation to the level of expected revenue after notice to the agency.

19-4-607. Productivity reporting.

(a) Each state agency, other than the elected constitutional officers, shall institute and maintain a program to increase the productivity and cost effectiveness of the employees for which the state agency is responsible.

(b)(1) On or before the twentieth day of each month, each executive, judicial, legislative, and other state agency shall provide to the Bureau of Legislative Research the following information as of the last day of the immediately preceding month:

(A) The number of appropriated positions, including without limitation all positions appropriated in a state agency's current appropriation act and any additional positions approved during the interim;

(B) The number of temporary transition pool positions created in the interim and active for the month;

(C)(i) The number of full-time employees, including part-time employees in full-time positions.

(ii) If two (2) or more part-time employees share a full-time position, only one (1) employee shall be included in the number;

(D) The number of vacant positions that are budgeted;

(E) The number of vacant positions that are unbudgeted;

(F) The number of appropriated extra-help positions, including without limitation all extra-help positions appropriated in a state agency's current appropriation act and any extra-help positions approved during the interim;

(G) The number of extra-help employees;

(H) The number of vacant extra-help positions;

(I) The total amount of overtime paid out during the month;

(J) The total amount of straight time paid out during the month;

(K) The total number of compensatory time hours taken during the month; and

(L) Any other information requested by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

(2) On or before the twentieth day of each month, each institution of higher education shall provide to the Bureau of Legislative Research the following information as of the last day of the immediately preceding month:

(A) The number of appropriated full-time positions, including without limitation all full-time positions appropriated in an institution of higher education's current appropriation act and any additional full-time positions approved during the interim, including without limitation provisional, pool, and nine-month positions;

(B)(i) The number of full-time employees regardless of funding source, including without limitation those in provisional, pool, and nine-month positions.

(ii) Nine-month staff and faculty who are removed from the payroll but are still considered to be employed by the institution of higher education and are assumed to return the next semester shall be included in the number during the months that they are not on the payroll;

(C) The number of appropriated full-time positions that are vacant;

(D) The number of part-time and extra-help positions that are appropriated and any additional part-time and extra-help positions approved during the interim;

(E)(i) The number of part-time and extra-help employees, including without limitation faculty and graduate assistants.

(ii) Contract workers and students in work-study positions shall not be included in the number;

(F) The total amount of overtime paid out during the

month;

(G) The total amount of straight time paid out during the month;

(H) The total number of compensatory time hours taken during the month; and

(I) Any other information requested by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

(3) The information required under this section shall be compiled by each state agency and institution of higher education on forms developed by the Bureau of Legislative Research and submitted to the Legislative Council on a calendar-quarterly basis as two (2) separate reports:

(A) One (1) report containing an average for each state agency for the quarter; and

(B) One (1) report containing an average for each institution of higher education for the quarter.

(4) Each executive, judicial, legislative, and other state agency and each institution of higher education shall provide in the fourth quarter of each fiscal year a list of all positions vacant for at least one (1) year.

Subchapter 7 — Expenditures Generally

19-4-701. Fiscal periods of state.

(a) For the purpose of this chapter, relating to the appropriation and disbursement of funds:

(1) The fiscal year of the state commences on July 1 and ends on June 30 of the following year; and

(2) The biennial period, or "biennium", commences on July 1 following the adjournment of the regular session of the General Assembly and ends on June 30 two (2) years thereafter.

(b)(1) The definition of the fiscal year, for the purposes of this chapter, does not affect special appropriations when no fiscal period is defined in the act making the special appropriation or affect the bond year for other fiscal transactions.

(2)(A) In the case of a special appropriation in which the emergency clause has been adopted by the General Assembly and when no period of time is mentioned in the act making the appropriation, the appropriation is available for a two-year period from and after the effective date of the act.

(B) In the case of a special appropriation in which the emergency clause has not been adopted and when no period of time is mentioned in the act making the appropriation, the appropriation becomes available ninety (90) days after the adjournment of the General Assembly. The appropriation is available for a two-year period from and after the date the appropriation became available.

19-4-702. Time limits for presenting vouchers.

(a)(1)(A) A state agency may pay carryover obligations of the state that were incurred on or before June 30 of the current fiscal year up to forty-five (45) days after the end of the current fiscal year.

(B) The carryover obligations shall be supported by purchase documents with corresponding receipts for the goods or services that have been recorded as received in the state's financial management system by June 30 of the fiscal year previous to the fiscal year in which the carryover obligations are requested to be paid.

(2) The payments of the carryover obligations shall be charged against appropriations and fund cash balances of the fiscal year in which the obligations were incurred.

(3) Any payments for carryover obligations that are not supported by the documents as required in this subsection, or which are requested to be paid after forty-five (45) days following June 30 of the fiscal year previous to the fiscal year in which the carryover obligations are requested to be paid, shall be charged to the appropriations and fund cash balances of the then-current fiscal year.

(b) If the vouchers are approved for payment, the Auditor of State shall issue his or her warrants in payment of them not later than two (2) weeks following the receipt of the vouchers from the Department of Finance and Administration.

(c)(1) In the event of a just claim against a state agency, when the claim is submitted too late for payment in the manner prescribed in this

section and the state agency affected has an appropriation for the same purpose for the fiscal period following that period in which the claim was incurred, then the disbursing agent may draw his or her voucher in the payment of the claim against the new appropriation, but only if there were sufficient funds and appropriations for the prior year to cover the claim.

(2) Otherwise, the claim shall be submitted to the Arkansas State Claims Commission for payment.

(d)(1)(A) If a biweekly pay period for personal services, as defined in §§ 19-4-512 and 19-4-1607, commences in the closing period of one (1) fiscal period and either ends in the following fiscal year or is paid in the following fiscal year, then the payment of the obligation may be made in whole from the appropriation for either fiscal period, as determined by the Chief Fiscal Officer of the State.

(B) However, an obligation shall not be incurred unless there are funds on hand or estimated to become available to meet the obligation when it becomes due.

(2)(A) For purposes of wages and compensation, the Chief Fiscal Officer of the State may determine the starting date of authorized job classifications and positions to coincide with the payment of the obligation under subdivision (d)(1) of this section.

(B) However, the determination under subdivision (d)(2)(A) of this section shall not cause any state fiscal year to be charged with fewer than twenty-six (26) or more than twenty-seven (27) biweekly pay periods.

(e)(1) All state agencies may carry over from the first fiscal year of any biennium to the second fiscal year of the biennium any unexpended appropriations and funds to the extent necessary to pay for items or commodities ordered at least ninety (90) days before the end of the first fiscal year but not received until after the end of the first fiscal year, if the purchase of such items and commodities is substantiated by a written contract resulting from the receipt of a formal bid.

(2)(A) All state agencies may carry over from the first fiscal year of any biennium to the second fiscal year of the biennium any unexpended maintenance and operation appropriations and funds, as defined under § 19-4-513, to the extent necessary to pay for renovation and minor and major repairs under the jurisdiction of the Building Authority Division that were

under contract at least ninety (90) days before the end of the first fiscal year but that will not be completed until after the end of the first fiscal year and are substantiated by written contracts.

(B) This carryover provision applies only to appropriations and funds involving maintenance and operations.

(3) This subsection is supplemental to any other authority granted any state agency by law to carry forward unexpended fund balances from one (1) fiscal year to another.

19-4-703. Redemption of warrants.

A warrant issued by the Auditor of State is not payable by the Treasurer of State unless the warrant has been presented for payment within the twelve (12) months immediately following the close of the fiscal year or other appropriate fiscal period against the appropriation for which the warrant was charged.

19-4-704. No obligations without appropriations.

(a) An obligations shall not be paid from appropriated funds until the General Assembly has made an appropriation for that purpose.

(b) A state agency shall not enter into any contract that would contemplate that payments under the contracts would be made beyond the expiration of the biennial period unless the General Assembly, before the expiration of the biennial period, makes an appropriation for that purpose, or in the case of multiyear contracts for commodities or services, a determination in writing has been made before use that:

(1) Estimated requirements cover the period of the contract and are reasonably firm and continuing; and

(2) Such a contract would serve the best interests of the state by encouraging effective competition or otherwise promoting economies in state procurement.

(c) An obligations shall not be incurred unless there are sufficient funds or an approved federal grant on hand, or estimated to become available, to meet the obligation when it becomes due.

19-4-705. Obligations limited to funds available.

(a) A state agency for which regular operating appropriations are made

on a fiscal-year basis shall not incur an obligation under the appropriations unless there are funds on hand or an approved federal grant, or estimated to become available, during the fiscal year for the payment of the obligation.

(b) An agency shall not create any obligation in one (1) fiscal year that will make it necessary to use the revenues of the following fiscal year in order to meet the obligation except in the case of multiyear contracts for commodities or services and as provided in § 19-4-707.

(c)(1) If an agency had bank funds that are not required by law to be deposited into the State Treasury, the agency may create additional obligations to the extent of the bank funds on hand, or that are estimated to become available during the fiscal period.

(2) However, except in the case of multiyear contracts for commodities or services and as provided in § 19-4-707, the agency shall not create any obligations, in the aggregate, that would make the total of the obligations exceed the total of all funds available to the agency during the fiscal period.

19-4-706. Interest and carrying charges.

State agencies, including exempt agencies, may enter into contracts that contemplate the payment of interest, late charges, but only when the late charges are incurred sixty (60) days after payment is due, or carrying charges under rules that the State Procurement Director promulgates.

19-4-707. Obligations for improvements.

Although disbursements shall not be made during any fiscal period in excess of the appropriations made available by the General Assembly for the fiscal period, contracts for improvements including major repairs, alterations, and construction of new buildings and facilities may be let to the extent of the appropriations made available for those purposes for the biennial period. However, those contracts shall not be let in amounts exceeding the probable funds available or that are estimated to become available during the period.

19-4-708. Depletion of agency funds.

If a state agency incurs obligations in such manner that the funds allocated or belonging to the agency are depleted and the agency is unable to

pay all of its outstanding commitments without incurring a deficit, then the Chief Fiscal Officer of the State may suspend all exemptions under the Arkansas Procurement Law, § 19-61-101 et seq., with respect to the agency. Under these circumstances, the Chief Fiscal Officer of the State may notify the agency that all future obligations of any kind shall be approved by the Chief Fiscal Officer of the State before they become valid obligations against the funds of the agency.

19-4-709. Statement of financial condition.

(a) The Chief Fiscal Officer of the State may require, from time to time as he or she deems necessary, a statement from a state agency setting out the prospective funds that are estimated to become available and a statement of the outstanding obligations and of the proposed expenditures of that agency for the remainder of the fiscal period.

(b) If, in the Chief Fiscal Officer of the State's judgment, an agency has incurred or is about to incur a deficit, the Chief Fiscal Officer of the State shall call upon the agency to stop incurring obligations, under penalty of the agency's disbursing bond.

19-4-710. Interagency transfers — Definition.

(a) To prevent the duplication of recording expenditures and revenues resulting from interagency transactions, the Chief Fiscal Officer of the State, after securing the approval of the proposed procedures by the Legislative Auditor, may provide for an interagency transfer of moneys or recognize a journal entry to charge the expenditure to the disbursing agency without creating a warrant and to identify the cash receipt by the receiving agency.

(b) Budget manuals prepared for the General Assembly for the biennial state budget shall identify the original revenue source of interagency transfers of funds.

(c) As used in this section, "interagency transfer" means:

(1) The purchase of services or commodities by one (1) state agency from another state agency, or within a state agency; or

(2) Other transfers of funds under § 19-20-106 or other provision of law.

19-4-711. Transfer of responsibilities.

If a state agency or its responsibilities, or a part of its responsibilities, is transferred by law within a biennium to another agency, the Chief Fiscal Officer of the State shall transfer all or part of the line-item appropriations, personnel positions, and moneys necessary to accomplish the transfer of responsibilities, subject to the same restrictions and procedures applicable to the original appropriations and funds from which transferred.

Subchapter 8 — Expenditure of Cash Funds

19-4-801. Definitions.

As used in this subchapter:

(1) "Cash funds" means all moneys, negotiable instruments, certificates of indebtedness, stocks, and bonds held by or owned by any state agency that are not on deposit with or in the trust of the Treasurer of State; and

(2)(A) "State agency" means all boards, commissions, departments, agencies, institutions, offices or officers, state-supported institutions of higher education, and any other office or unit of government of the State of Arkansas created or established pursuant to law or pursuant to any action of the Governor, functioning under appropriation made by the General Assembly or functioning as a representative of the state without appropriation of the General Assembly.

(B) "State agency" does not include the:

(i) Governor;

(ii) Secretary of State;

(iii) Attorney General;

(iv) Treasurer of State;

(v) Auditor of State;

(vi) Commissioner of State Lands;

(vii) Supreme Court and its justices;

(viii) Circuit courts and circuit judges;

(ix) Prosecuting attorneys;

(x) Arkansas State Game and Fish Commission;

(xi) Arkansas Department of Transportation;

(xii)(a) Office of the Arkansas Lottery.

(b) However, the office shall be considered a state agency for the purposes of § 19-4-806 et seq.;

(xiii) General Assembly; and

(xiv) Respective staffs of the officers and agencies listed in this subdivision (2)(B).

19-4-802. Authorization of General Assembly.

(a) Cash funds of state agencies shall be budgeted and proposed expenditures approved by enactments of the General Assembly.

(b) 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) State agencies 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) State agencies shall post all financial transactions of cash funds in the state's financial management system in accordance with procedures established by the Chief Fiscal Officer of the State.

19-4-803. [Reserved.]

19-4-804. Investment of fund balances.

(a) The state-supported institutions of higher education may determine the depositories and the nature of investments of any of their cash funds that are not currently needed for operating purposes. In making these determinations, these state-supported institutions of higher education shall seek to obtain the highest possible rate of return for their investments.

(b) All cash fund agencies other than the state-supported institutions of higher education shall request and abide by the recommendations of the State Board of Finance as to the best investment decisions for any idle cash balances.

19-4-805. Petty cash accounts.

(a)(1) State agencies operating under this subchapter *may* establish

petty cash accounts, subject to approval by the Chief Fiscal Officer of the State.

(2) Only minor expenditures or emergency purchases shall be made from petty cash accounts authorized by this subsection.

(b) State-supported institutions of higher education and other agencies that can demonstrate the need for large petty cash accounts during brief periods of time, such as student registration periods, are authorized short-term petty cash accounts.

19-4-806. Voucher examination and approval — Responsibilities of state agency executive administrators.

Each executive head of a state agency handling cash funds shall establish:

(1) Adequate internal administrative procedures and controls to ensure prompt and accurate payment of obligations to be liquidated from those funds to promote good public relations and to take advantage of all available discounts; and

(2) A system of pre-audit within his or her agency to ensure that checks and vouchers, before being released by the state agency, are prepared in accordance with all applicable purchasing and fiscal laws on the subject by performing the following functions. He or she shall determine that:

(A) Services, materials, supplies, and equipment received comply with specifications indicated on purchase documents;

(B) Quantities received, as being indicated on the invoice, agree with those shown on the receiving report;

(C) Unit prices agree with those indicated on the purchase documents;

(D) The extensions and footings of the invoice are correct;

(E) The voucher or check is prepared in sufficient time to take advantage of all available discounts being offered;

(F) Sufficient legislative authorization for expenditures and funds is available for payment of the obligation; and

(G) The obligation was incurred in conformity with all purchasing and fiscal laws applicable to state agencies operating out of the

State Treasury.

19-4-807. Erroneous or improper payments.

(a) The executive head of a state agency, the bonded disbursing officer, or his or her designated bonded assistant is responsible for recovery of erroneous or improper payments.

(b) The Chief Fiscal Officer of the State is not liable under his or her surety bond for any erroneous or improper payments so made.

19-4-808. Supporting documentation.

Requirements for supporting documentation for disbursements are determined as follows:

(1) In connection with purchasing procedures, the Chief Fiscal Officer of the State shall prescribe and define the necessary documents and other evidence that shall be retained by the agency for the purpose of determining whether the proper purchasing procedures have been complied with;

(2) In all instances in which the evidences of indebtedness are represented by vendor's invoices, the agency shall retain in the permanent file of the business office of the agency the original invoice and corresponding documentation of actual payment in accordance with procedures established by the Chief Fiscal Officer of the State;

(3) In connection with printing contracts, provided by the Arkansas Constitution and laws of this state, the supporting documentation shall be those prescribed by the Auditor of State or by the Department of Finance and Administration, as appropriate;

(4)(A) In connection with the laws or rules governing travel, when individuals are reimbursed for expenses incurred for travel in connection with their official duties, the supporting papers shall be the forms or statements of the expenses prescribed by the Chief Fiscal Officer of the State.

(B) In the case of per diem or other expenses established by law, the disbursing officer shall attach to the voucher issued in payment of the allowances a citation of his or her authority for making the payments;

(5) Any indebtedness or expense incurred in connection with an approved resolution of any state board or commission shall be made a part of the permanent minutes of the state board or commission, and copies of the

resolution or minutes authorizing any indebtedness or expense shall be attached to the voucher issued in payment of the indebtedness or expense; and

(6) In instances in which the General Assembly has authorized grants to public schools, public welfare recipients, counties, municipalities, and for other purposes specifically provided by law, for payments made to individuals under retirement systems, and for income tax refunds, the Chief Fiscal Officer of the State shall prescribe the forms of the vouchers to be used and the procedure to be followed in making the payments.

19-4-809. Original of supporting documentation to be retained by the agency.

(a) The original evidences of indebtedness, including documents prepared in connection with purchasing procedure, and all other original contracts, invoices, statements, receipts, petty cash tickets, bank statements, cancelled checks drawn upon bank accounts, and other original supporting papers shall be retained in the permanent file of the business office of each state agency, or attached to the office copy of the agency's voucher, and the documents shall be kept in a safe place subject to audit and shall not be destroyed until authorization is given for their destruction by the Legislative Auditor.

(b) With the approval of the Legislative Auditor, a state agency may retain evidences to satisfy record retention policies of indebtedness and other contracts, invoices, statements, receipts, petty cash tickets, bank statements, cancelled checks drawn upon bank accounts, and other supporting papers by microform or a form of stored images in a computer system or other form of computer technology in lieu of retaining the originals of the documents.

19-4-810. Contracts for procurement of commodities and services.

A state agency that is authorized by law or under the purchasing procedures of this state to enter into contract for the procurement of property, commodities, or services shall keep on file in its respective place of business a copy of the contract for public inspection or audit and shall make a copy of the contract available to the Chief Fiscal Officer of the State when so required by the Chief Fiscal Officer of the State.

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

19-4-901. Rules generally.

The Chief Fiscal Officer of the State shall promulgate rules with respect to travel and travel allowances and prescribe the forms and procedures for reporting, approving, and paying such travel allowances for all officers and employees of the state government or for other persons who are authorized to carry out official duties in connection with the business of the state.

19-4-902. Authorization for travel.

(a)(1) The board, commission, or administrative head in charge of each state agency is responsible for authorizing travel, or any expenses in connection with travel.

(2) Travel expenses shall not be authorized or allowed without the approval of the board, commission, or administrative head of an agency.

(b) The administrative head of an agency shall keep on file in the place of business of the agency, subject to audit, copies of all supporting documents and required receipts for expenses incurred in connection with the travel authorizations and allowances for persons traveling in behalf of the agency.

19-4-903. Standard reimbursements and special authorizations — Definitions.

(a)(1) Except for special authorization by the Chief Fiscal Officer of the State, reimbursement for meals and lodging while traveling on official business of the state shall not exceed the maximum rates as prescribed by the Federal Travel Directory published by the United States General Services Administration.

(2)(A) Requests for special authorization shall be limited to those rare occasions in which unusual circumstances may cause the existing rates to be inadequate and shall be set out in writing in such detail as shall be required in the state travel procedures and shall be executed in behalf of each individual traveler for each special authorized occasion.

(B) Requests for special authorization by employees of an institution of higher education are subject to the approval of the chief executive officer of the institution of higher education and not the Department of Finance and Administration.

(3) Under such emergency conditions as shall be determined by the Governor, the limitations of this subsection with respect to meals and lodging may be waived or modified.

(b)(1) As used in this subsection, "state-owned motor vehicle" means a motor vehicle purchased or leased by:

(A) The State of Arkansas;

(B) The office of a constitutional officer of the State of Arkansas;

(C) A constitutionally independent agency or commission; and

(D) A state-supported institution of higher education.

(2)(A) Unless otherwise provided by law, reimbursement for the use of privately owned motor vehicles while traveling on official business for the state shall not exceed the allowable rate of the Internal Revenue Service per mile for business use of privately owned motor vehicles.

(B) A state agency director may authorize reimbursement for travel expenses for meals, lodging, and private automobile or airplane usage at amounts less than that established under the authority of this section.

(C) The Chief Fiscal Officer of the State by rule may establish procedures and the rate for reimbursing individuals for the use of privately owned airplanes while traveling on official business for the state.

(3)(A)(i) An employee of the State of Arkansas who utilizes, but whose job does not require the state employee to utilize, a state-owned motor vehicle for transportation to or from his or her permanent residence from or to his or her official station on a daily basis shall reimburse the fund from which the operating expenses of the state-owned motor vehicle are paid at the same rate authorized by the state agency director of the agency employing the state employee for reimbursements for private automobile usage under subdivision (b)(2)(B) of this section.

(ii) As used in subdivision (b)(3)(A)(i) of this section, "state employee":

(a) Means an employee of a state agency, board, commission, department, or state-supported institution of higher education; and

(b) Includes a constitutional officer and an

employee of a constitutional officer.

(B) All state-owned motor vehicles or state-leased motor vehicles shall be for official business use only.

(c) The Chief Fiscal Officer of the State shall promulgate rules to implement this subchapter.

19-4-904. Exempt persons and agencies.

(a)(1) The limitations of this subchapter relating to travel rules do not apply to:

(A) Except as provided in § 19-4-903(b), the constitutional or elective officials and their employees; or

(B) Official guests of the state.

(2) This subchapter shall not be used to supersede or set aside the provisions of law providing for fixed allowances, established amounts for per diem, or to special travel privileges provided by law for specific purposes when the allowances exceed those authorized in this subchapter.

(b)(1)(A) Personal reimbursement shall not be allowed to a state official, state employee, or any other person traveling on official business for expenses covering personal entertainment, flowers, valet service, laundry and cleaning, or other personal expenses, as those expenses are defined in the state travel rules.

(B) A state official, state employee, or any other person traveling on official business shall submit his or her travel reimbursement requests upon forms prescribed by the Department of Finance and Administration, itemized in such detail as is necessary to carry out the purposes and intent of this section.

(2) The tip reimbursement amount shall not exceed fifteen percent (15%) of the meal amount expended.

(3) The total reimbursement for meals and tips shall not exceed the maximum rates prescribed by the Financial Management Guide published by the Office of Accounting of the Department of Finance and Administration.

(c) The cost of meals, lodging, and mileage of state employees who are designated by a supervisor or agency director to attend official or special board meetings or other functions recognized as being in the performance of their official duties may be paid either as reimbursement to the state employee or on direct billing, in the case of meals and lodging, subject to

approval of the supervisor or agency director.

(d) It is recognized that within the state-supported institutions of higher education there exists an obligatory inherent cost of providing travel expenses for a group or number of students who, when accompanied by those who instruct the students in the fundamentals of a competitive sport and direct team strategy, must travel and be recognized as a cohesive unit representing not only their state-supported institution of higher education, but exemplifying the State of Arkansas in their behavior, attitudes, interests, presentation, and conduct. In these circumstances the payment of group travel expenses, including those of students and employees, may be authorized as follows:

(1) Meals and lodging;

(2) Transportation;

(3) Entertainment, within reasonable limits, to ease the pressure on students of their objectives;

(4) Costs of group activities, including gratuities, laundry, cleaning, and favors; and

(5) Other personal expenses to be paid only from auxiliary funds not inconsistent with standards, rules, or prohibitions established by recognized national or state governing associations pertaining to the respective students and employees and the state-supported institutions of higher education they are representing.

19-4-905. State-owned motor vehicles generally.

(a) All state-owned motor vehicles that are purchased under the authority of the Chief Fiscal Officer of the State shall be licensed in such manner so as to identify each state-owned motor vehicle as state property.

(b) The Chief Fiscal Officer of the State shall provide a special state property license plate suitable for all state-owned motor vehicles and shall establish procedures for the purpose of supplying information on all state-owned motor vehicles, both those that are purchased and those that are sold, traded in, or otherwise disposed of.

(c) The Chief Fiscal Officer of the State shall make rules for obtaining the required special state property license plates and for returning the special state property license plates when the state-owned motor vehicles are disposed of and shall notify all state agencies of

procedures to be followed.

(d) Each agency shall pay the regular license fee for the special state property license plate in the manner prescribed by the Department of Finance and Administration.

(e) If the best interests of the state would be served by not displaying a special state property license plate, such as in police work, an exception to this section may be obtained only upon the written approval of the Governor.

19-4-906. Motor vehicle restrictions and authorizations — Definition.

(a)(1) Funds appropriated for the various state agencies, authorities, boards, commissions, departments, and institutions of higher education listed in this section shall not be used to purchase, lease for over thirty (30) days, operate, repair, or provide services for more than the maximum number of passenger motor vehicles as stated in this section, except in an emergency as proclaimed by the Governor.

(2)(A) As used in this section, "passenger motor vehicles" means vehicles licensed for highway use, including without limitation automobiles, trucks, and vans, that do not require a commercial driver's license to operate.

(B) As used in this section, "passenger motor vehicles" does not include vehicles that are primarily used for purposes of providing health screenings or providing health treatment.

(3) Mileage reimbursement for employees' utilization of their personal automobiles is not included in this restriction.

Item No.	Agency, Authority, Board, Commission, or Institution of Higher Education	Maximum Authorized Number of Passenger Motor Vehicles in any Year
(001)	Arkansas Abstracters' Board [abolished]	0
(002)	Administrative Office of the Courts	3
(003)	Adv. Council for Vo-Tech Education [abolished]	2
(004)	Arkansas State Board of Chiropractic Examiners	0
(005)	Arkansas Board of Hearing Instrument Dispensers	0

(006) Arkansas Board of Podiatric Medicine 0
(007) Building Authority Division 22
(008) Arkansas Bureau of Standards 34
(009) Arkansas Cemetery Board [abolished] 0
(010) Arkansas Code Revision Commission 0
(011) Arkansas Commission on Law Enforcement Standards of Training 15
(012) Arkansas Crime Information Center 11
(013) Division of Aeronautics 1
(014) Division of Emergency Management 15
(015) Division of Environmental Quality 57
(016) Arkansas Development Finance Authority 3
(017) Arkansas Economic Development Council 31
(018) Arkansas Fire Protection Licensing Board 0
(019) Arkansas Forestry Commission 396
(020) Office of the State Geologist 18
(021) Arkansas State Archives 3
(022) Arkansas Livestock and Poultry Commission 81
(023) Arkansas Manufactured Home Commission 3
(024) Arkansas Motor Vehicle Commission 5
(025) Arkansas Natural Resources Commission 8
(026) Arkansas Northeastern College 26
(027) Arkansas Psychology Board 0
(028) Arkansas Public Employees' Retirement System 5
(029) Arkansas Public Service Commission 27
(030) Arkansas Real Estate Commission 3
(031) Arkansas School for Mathematics, Sciences, and the Arts 14
(032) Arkansas School for the Blind 8
(033) Arkansas School for the Deaf 14
(034) Arkansas Science and Technology Authority [abolished] 1
(035) Arkansas Social Work Licensing Board 0
(036) Arkansas Soybean Promotion Board 0
(037) Arkansas Spinal Cord Commission 3
(038) Arkansas State Board of Architects, Landscape Architects, and Interior Designers 0
(039) Arkansas State Board of Dental Examiners 1
(040) Arkansas State Board of Landscape Architects [abolished] 0

(041) Arkansas State Board of Massage Therapy [abolished] 0
(042) Arkansas State Board of Nursing 1
(043) Arkansas State Board of Pharmacy 1
(044) Arkansas State Board of Public Accountancy 0
(045) Arkansas State Board of Registration for Foresters [abolished] 0
(046) Arkansas State Board of Registration for Professional Soil Classifiers [abolished] 0
(047) Arkansas State Board of Sanitarians 0
(048) Arkansas State Department of Health Building Commission [abolished] 0
(049) Arkansas State Game and Fish Commission 500
(050) Arkansas Department of Transportation 43
(051) Arkansas Department of Transportation 2,300
(052) Arkansas Department of Transportation — (NOAA) 0
(053) Arkansas State Highway Employees' Retirement System 0
(054) Arkansas State Library 29
(055) Arkansas State Medical Board 0
(056) Division of Arkansas State Police 725
(057) Arkansas State University 131
(058) Arkansas State University — Beebe 32
(059) Arkansas State University — Mountain Home 15
(060) Arkansas State University — Newport 26
(061) Arkansas State University system 9
(062) Arkansas Student Loan Authority [abolished] 2
(063) Arkansas Teacher Retirement System 4
(064) Arkansas Tech University 70
(065) Arkansas Waterways Commission 1
(066) Black River Technical College 14
(067) Board of Corrections 6
(068) Board of Examiners in Speech-Language Pathology and Audiology 0
(069) Burial Association Board [abolished] 2
(070) Commission on Water Well Construction [abolished] 2
(071) Contractors Licensing Board 1
(072) Cossatot Community College of the University of Arkansas 20
(073) Division of Arkansas Heritage 11
(074) Department of Corrections 254

(075) Department of Education 10
(076) Department of Finance and Administration – Alcoholic Beverage Control Division 22
(077) Department of Finance and Administration – Alcoholic Beverage Control Division – Administration Division 1
(078) Department of Finance and Administration – Management Services Division 44
(079) Department of Finance and Administration – Racing Division 1
(080) Department of Finance and Administration – Revenue Division 168
(081) Department of Health 111
(082) Division of Higher Education 2
(083) Department of Human Services 444
(084) Division of Information Systems 7
(085) Department of Labor 9
(086) Department of Parks, Heritage, and Tourism 187
(087) Division of Workforce Services 27
(088) Dept. of Education – National Migrant Student Record Transfer System [abolished] 1
(089) Dept. of Education – Vo-Tech Division 22
(090) Dept. of Education – Vo-Tech Schools 280
(091) Dept. of Veterans Affairs and the veterans' homes 11
(092) Disabled Veterans Service Office 0
(093) East Arkansas Community College 28
(094) Arkansas Educational Television Commission 14
(095) Health Services Permit Agency 1
(096) Henderson State University 45
(097) Liquefied Petroleum Gas Board 4
(098) Arkansas State University Mid-South 20
(099) National Park College 20
(100) North Arkansas College 30
(101) Northwest Arkansas Community College 22
(102) Office of the Prosecutor Coordinator 0
(103) Oil and Gas Commission 17
(104) Arkansas State University Three Rivers 15
(105) Ozarka College 12
(106) Phillips Community College of the University of Arkansas 27

(107) University of Arkansas – Pulaski Technical College 25
(108) Arkansas Revenue Department Building Commission 0
(109) University of Arkansas Community College at Rich Mountain 16
(110) SAU-Tech – Camden 15
(111) SAU-Tech – Arkansas Environmental Training Academy 6
(112) SAU-Tech – Arkansas Fire Training Academy 22
(113) South Arkansas College 20
(114) Southeast Arkansas College 15
(115) Southern Arkansas University – Magnolia 59
(116) State Athletic Commission 0
(117) State Bank Department 22
(118) State Board of Barber Examiners 0
(119) State Board of Collection Agencies 0
(120) Cosmetology Technical Advisory Committee 0
(121) State Board of Embalmers and Funeral Directors [abolished] 0
(122) State Board of Licensure for Professional Engineers and Professional Surveyors 0
(123) State Crime Laboratory 15
(124) State Department for Social Security Administration Disability Determination 3
(125) State Insurance Department 6
(126) Department of the Military 20
(127) State Plant Board 30
(128) State Securities Department 5
(129) University of Arkansas at Fayetteville 299
(130) University of Arkansas at Fort Smith 39
(131) University of Arkansas at Little Rock 75
(132) University of Arkansas at Monticello 64
(133) University of Arkansas at Pine Bluff 78
(134) University of Arkansas Community College at Batesville 10
(135) University of Arkansas Community College at Hope-Texarkana 20
(136) University of Arkansas Community College at Morrilton 16
(137) University of Arkansas for Medical Sciences 110
(138) University of Central Arkansas 100
(139) Arkansas Veterans' Child Welfare Service 0
(140) Veterinary Medical Examining Board [abolished] 0

(141) War Memorial Stadium Commission 3
(142) Workers' Compensation Commission 25
(143) Division of Agriculture of the University of Arkansas 326

(b)(1) The General Assembly recognizes that, in some cases, motor vehicles are donated to educational institutions and agencies primarily for use in automotive repair and maintenance courses and in instructional programs for truck operators and that such motor vehicles are not normally used for other purposes by the educational institutions and agencies and should not be included in the maximum number of authorized passenger motor vehicles prescribed for such educational institutions and agencies in this section.

(2)(A) Therefore, motor vehicles donated to educational institutions and agencies primarily for use in programs of instruction in automotive maintenance and repair, in operator training, and in related instructional programs shall not be included for the purpose of determining the number of passenger motor vehicles authorized for those educational institutions or agencies.

(B) This section does not apply to motor vehicles donated under subdivision (b)(2)(A) of this section.

(c)(1) The Department of Human Services is exempt from this section.

(2) The Department of Human Services may purchase vehicles utilizing federal funds and the appropriate state matching funds required.

19-4-907. Motor vehicle records.

The Chief Fiscal Officer of the State may direct all state agencies to maintain records with respect to all state-owned motor vehicles and may require that the agencies file reports on the state-owned motor vehicles covering the operating costs of the state-owned motor vehicles.

Subchapter 10 — Credit Cards

19-4-1001. Definition.

As used in this subchapter, "credit cards" means only those credit cards issued to state agencies, boards, or commissions for which the state agencies, boards, or commissions assume responsibility for payment.

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

commission, to use state credit cards for which the state agency, board, or commission assumes liability for payment, under rules as may be prescribed by the Chief Fiscal Officer of the State.

(b) Only credit cards approved by the Chief Fiscal Officer of the State shall be used.

19-4-1006. Revolving funds for expenses.

(a) The Chief Fiscal Officer of the State may promulgate appropriate rules authorizing state agencies, boards, commissions, and institutions of higher education to establish revolving funds that shall be within such limitations as the Chief Fiscal Officer of the State may prescribe or to make advances of expense funds for authorized travel by officials and employees of state agencies, boards, commissions, and institutions of higher education whose travel is in conjunction with institutionally sponsored events or programs. The advanced funds shall be reimbursed by the individual borrowing the funds from moneys to the individual upon filing an authorized expense account in connection with the travel.

(b) The rules under subsection (a) of this section may authorize the state agency, board, commission, or institution of higher education to require the employee to file an agreement authorizing the agency, board, or commission to:

(1) Recover any amounts advanced for travel expense purposes from the amounts claimed and allowed the employee or student as reimbursement for actual expenses incurred;

(2) Recover any amounts advanced for travel expense purposes from the next or future salary payments to the employee; or

(3) Add any amounts advanced for travel expense purposes to the receivables account of the student.

Subchapter 11 — Approval of Expenditures

19-4-1101. Examination and approval required.

(a) The expenditure of all funds deposited into the State Treasury is subject to examination and approval in the manner provided by this subchapter before the proposed expenditure is approved for payment from the funds.

(b) State agency funds that are not required by law to be deposited

into the State Treasury are subject to the procedures as required by § 19-4-801 et seq.

(c) In connection with an examination of the fiscal activities of an agency, the Legislative Auditor may audit any of the funds of the agency.

19-4-1102. Responsibilities of executive heads of agencies.

The executive head of a state agency shall establish:

(1) Adequate internal administrative procedures and controls to ensure:

(A) Prompt and accurate payment of obligations in order to promote good public relations and to take advantage of all available discounts; and

(B) That all financial transactions of the agency are posted in the state's financial management system in accordance with procedures established by the Chief Fiscal Officer of the State;

(2) A system of pre-audit within his or her agency to ensure that checks and vouchers, before being released by the agency, are prepared in accordance with all applicable purchasing and fiscal laws and rules by performing the following functions. He or she shall determine that:

(A) Services, materials, supplies, and equipment received comply with specifications indicated on purchase documents;

(B) Quantities received, as being indicated on the invoice, agree with those shown on the receiving report;

(C) Unit prices agree with those indicated on the purchase documents;

(D) The extensions and footings of the invoice are correct;

(E) The voucher or check is prepared in sufficient time to take advantage of all available discounts being offered;

(F) Sufficient appropriation and funds are available for payment of the obligation; and

(G) The obligation was incurred in conformity with all purchasing and fiscal laws.

(3) That every voucher for a proposed disbursement is approved by the bonded disbursing officer of the agency issuing the voucher or by his or her authorized agent;

(4) That an appropriation has been made to cover the proposed disbursement and that there is sufficient balance remaining in the appropriation account and in the fund against which it is drawn to ensure that the voucher can be converted into a valid warrant;

(5) That the proposed disbursement has been drawn on the proper voucher form and the name and address of the disbursing agency and the name and address of the vendor or payee is properly identified on the voucher form;

(6) That the proposed voucher is prepared in accordance with the established general accounting procedures relating to appropriation titles and codes and the proposed transactions are identified and classified in accordance with the administrative rules on the subject; and

(7) That the voucher for the proposed disbursement is accompanied by proper supporting documentation, as evidence that the indebtedness has been incurred and that the amount for which the voucher is written corresponds with the evidence.

19-4-1103. Duty to examine and approve.

(a) The Chief Fiscal Officer of the State shall design the state's financial management system to provide reasonable assurances that financial transactions conform to the provisions of law and rules.

(b)(1) The Chief Fiscal Officer of the State is not required to pass upon the propriety of any financial transaction if the financial transaction is found to conform to this subchapter.

(2) However, the Chief Fiscal Officer of the State may perform examinations of financial transactions to determine the propriety of the financial transactions in conformity with applicable laws and rules.

19-4-1104. Examination and approval generally.

(a) Before a voucher for the disbursement of funds in the State Treasury is presented to the Auditor of State for the issuance of his or her warrant in the payment of the voucher, the voucher shall be recorded in the state's financial management system in accordance with procedures established by the Chief Fiscal Officer of the State.

(b) The Auditor of State may perform an examination, under the procedures established in this subchapter, as he or she deems advisable

before issuing his or her warrant in the payment of a voucher for the disbursement of funds in the State Treasury.

19-4-1105. Erroneous or improper payments.

(a) The state agency executive head or the bonded disbursing officer, or his or her designated bonded assistant is responsible for recovery of erroneous or improper payments.

(b) The Chief Fiscal Officer of the State, the Auditor of State, or the Treasurer of State is not liable under their surety bonds for any erroneous or improper payments so made.

19-4-1106. Supporting documents generally.

Supporting documents for the disbursement of state funds shall include the following:

(1) In connection with purchasing procedure, the Chief Fiscal Officer of the State shall prescribe and define the necessary documents and other evidence that shall be for the purpose of determining whether the proper purchasing procedures have been complied with;

(2)(A) In all instances when the evidences of indebtedness are represented by vendors' invoices, the agency shall retain in the permanent file of the business office of the agency the original invoice and corresponding documentation in accordance with procedures established by the Chief Fiscal Officer of the State.

(B) In those instances when the daily transactions with vendors are numerous, such as in the case of retail service station purchases, the Chief Fiscal Officer of the State may prescribe the use of monthly statements from the vendors as supporting documents for the vouchers;

(3) In connection with printing contracts provided for by the Arkansas Constitution and laws of this state, the supporting documents shall be those prescribed by the Auditor of State or by the Department of Finance and Administration as appropriate;

(4)(A) In connection with the laws or rules governing travel, when individuals are reimbursed for expenses incurred for travel in connection with their official duties, the supporting papers shall be the forms or statements of the expenses prescribed by the Chief Fiscal Officer of the State.

(B) In the case of per diem or other expenses established by law, the disbursing officer shall attach to the vouchers issued in payment of the allowances a citation of his or her authority for making the payments;

(5)(A) Any indebtedness or expense incurred in connection with an approved resolution of any state board or commission shall be made a part of the permanent minutes of the state board or commission.

(B) Copies of the resolution or minutes authorizing any indebtedness or expense shall be attached to the vouchers issued in payment of any indebtedness or expense; and

(6)(A)(i) The Chief Fiscal Officer of the State shall prescribe the forms of the vouchers to be used and the procedure to be followed in making payments in instances when the General Assembly has authorized grants:

(a) To public schools, public welfare recipients, counties, and municipalities;

(b) For other purposes specifically provided for by law;

(c) For payments made to individuals under retirement systems; and

(d) For income tax refunds.

(ii) The Chief Fiscal Officer of the State may review all disbursements to determine that the disbursements are issued in accordance with their respective appropriations and that there are sufficient funds to cover all the payments.

(B) In the case of vouchers written upon the Public School Fund for state equalization aid, the Auditor of State shall process warrants to pay the vouchers upon certification by the Chief Fiscal Officer of the State that funds are available from general revenues available for distribution or from other sources for the benefit of the Public School Fund with which to pay the warrants when they are presented for payment.

(C) In the case of payments made to welfare recipients under the welfare laws of this state, the approved list of welfare recipients may be certified directly to the Auditor of State, who shall approve the issuance of warrants upon certification by the Chief Fiscal Officer of the State that funds are available from general revenues available for distribution or from other sources for the benefit of the Department of Human Services Grants Fund Account of the Department of Human Services Fund with

which to pay the warrants when they are presented for payment.

(D) In the case of vouchers written upon the Arkansas Public Employees' Retirement System, the Arkansas Local Police and Fire Retirement System, the State Police Retirement System, the Arkansas Judicial Retirement System, and the Arkansas Teacher Retirement System funds for retiree benefits, the Auditor of State shall process paper or electronic warrants to pay the vouchers upon certification by the Chief Fiscal Officer of the State that funds are available from the Arkansas Public Employees' Retirement System, the Arkansas Local Police and Fire Retirement System, the State Police Retirement System, the Arkansas Judicial Retirement System, and the Arkansas Teacher Retirement System funds with which to pay the warrants when they are presented for payment.

(E) In the case of vouchers written upon the Uniform Tax Rate Trust Fund, the Auditor of State shall process warrants to pay the vouchers upon certification by the Chief Fiscal Officer of the State that funds are available for the benefit of the Uniform Tax Rate Trust Fund with which to pay the warrants when they are presented for payment.

(F) In the case of vouchers written upon specific funds receiving federal funding, according to the Cash Management Improvement Act of 1990, Pub. L. No. 101-453, Oct. 24, 1990, 104 Stat. 1058, agreement, the Auditor of State shall process warrants and the Treasurer of State shall redeem the warrants presented for payment upon notification by the Chief Fiscal Officer of the State that the executive head of the state agency has certified to the Chief Fiscal Officer of the State that:

(i) A federal fund transfer request has been completed and accepted by the federal funding source; and

(ii) Federal funds will be transferred for the benefit of the state fund to pay the warrants.

19-4-1107. Retention of documents.

(a) The original evidences of indebtedness, including documents prepared in connection with purchasing procedure, and all original contracts, invoices, statements, receipts, petty cash tickets, bank statements, cancelled checks drawn upon bank accounts, and other original supporting papers shall be retained in the permanent file of the business office of each state agency. These documents shall be kept in a safe place subject to audit

and shall not be destroyed until authorization is given for their destruction by the Legislative Auditor.

(b) With the approval of the Legislative Auditor, a state agency may retain evidences, to satisfy record retention policies, of indebtedness and other contracts, invoices, statements, receipts, petty cash tickets, bank statements, cancelled checks drawn upon bank accounts, and other supporting papers by microform or a form of stored images in a computer system or other form of computer technology in lieu of retaining the originals of the documents.

19-4-1108. Procurement contracts.

Each state agency that is authorized by law or under the purchasing procedures of this state to enter into contracts for the procurement of property, commodities, or services shall keep on file in their respective places of business copies of these contracts for public inspection or audit and shall make a copy of any such contract available to the Chief Fiscal Officer of the State when so required by him or her.

Subchapter 12 — Disbursement of Public Funds

19-4-1201. Disbursing officers.

(a) For the purpose of compliance with this subchapter, the following are designated as disbursing officers:

(1) The executive head of each state department;

(2) The executive head, or superintendent, of each state institution; and

(3) The executive secretary of each board or commission having such an officer.

(b) The board having charge of any institution may designate any other full-time employee to act instead of the executive head, and the executive head of any other agency may designate any other full-time employee to act in his or her stead.

(c) Disbursing officers under this section shall furnish bond to the state in the manner provided by law.

19-4-1202. Designation of disburser.

(a) If appropriations are made available to a state agency or to a nongovernmental agency or activity and no disbursing officer is provided for by law, the Chief Fiscal Officer of the State and the Auditor of State shall designate a person to act as disbursing officer and fix the amount of bond for such purposes.

(b) If the General Assembly enacts legislation that provides for more than one (1) disbursing officer from a fund or fund account and there are insufficient funds available to finance all appropriations made therein, the Chief Fiscal Officer of the State shall certify the amount of funds and appropriations to be made available for each disbursing officer.

19-4-1203. Disbursing agents.

If the executive head of a state agency designates a full-time employee to act as his or her agent in the disbursement of funds under his or her control, then that agent may act without furnishing additional bond if the executive head of the agency notifies the Chief Fiscal Officer of the State and the Auditor of State in writing of the designation.

19-4-1204. Bond required.

(a) The disbursement of funds in the State Treasury, of federal funds granted to the state or to a state agency, of bank funds of a state agency, of trust funds of a state agency, or of any other special funds belonging to a state agency shall be done only by a bonded official or bonded employee in the manner prescribed by law.

(b) Each disbursing officer or disbursing agent shall furnish bond in the penal sum required by law or, in the absence of any law on the subject, in an amount fixed by the Chief Fiscal Officer of the State and the Auditor of State with a corporate surety company authorized to do business in this state and conditioned upon the faithful performance of his or her duties and for the proper accounting for all funds received and disbursed by him or her.

19-4-1205. Signature or facsimile.

(a) The original copy of all checks drawn in connection with the disbursement of public funds for which the disbursing officer is responsible shall bear the manual signature of the disbursing officer or his or her authorized agent, or may contain or bear a mechanically produced facsimile

signature of the disbursing officer or his or her authorized agent.

(b) When the Chief Fiscal Officer of the State has determined that the executive head of a state agency has established adequate internal administrative procedures and controls pursuant to law, and that determination has been made only after the Chief Fiscal Officer of the State has consulted with the Legislative Auditor, the Chief Fiscal Officer of the State may grant an exemption from manual signatures to allow for a computer-produced digitized signature of the disbursing officer or his or her authorized agent.

19-4-1206. Duties generally.

(a) The bonded disbursing officer for each state agency or the bonded disbursing officer for a regular or special fund provided for by the General Assembly is responsible and held accountable for the proper expenditure of the funds under his or her control.

(b) Each disbursing officer or agent shall:

(1) Keep advised as to the availability of the appropriations and funds for which he or she is the disbursing officer and be informed as to the legality of and authority for any obligations that may be incurred before any disbursements are made;

(2) Keep advised as to the laws or administrative rules relating to general accounting procedures and restrictions for the disbursement of funds; and

(3) Certify that:

(A) Any disbursements that he or she may make are in accordance with the terms of any applicable contracts, purchasing procedure, or other authority;

(B) The services have been performed or the goods received; and

(C) The vendor or payee is entitled to the amount set forth in the check or voucher.

19-4-1207. Duty to monitor finances.

The executive head of the agency for which appropriations are authorized and the agency's disbursing officer shall:

(1) Be cognizant at all times of the resources available,

including applicable fund balances, revenues, and other income, for financing the appropriations authorized by the General Assembly;

(2) See that no obligations are incurred that cannot be lawfully discharged from funds appropriated or available from other sources when they become due and payable; and

(3) Not operate the agency during any fiscal year from the then-current fiscal year's available resources at a level of operations that would require for the succeeding fiscal year funds in addition to those already authorized by the General Assembly.

19-4-1208. Compliance with other laws.

The disbursement of funds authorized by the General Assembly are limited to the appropriations and the funds made available for the support of the appropriations. The restrictions of the Arkansas Procurement Law, § 19-61-101 et seq., the Uniform Classification and Compensation Act, § 21-5-201 et seq., the Revenue Stabilization Law, § 19-20-101 et seq., and rules promulgated by the Department of Finance and Administration authorized by law shall be strictly complied with in the disbursement of the funds.

19-4-1209. Revenues insufficient to meet appropriations.

(a) The disbursements of funds are subject to the controls of the procedures authorized by this subchapter, other acts of the General Assembly, and rules established by the Department of Finance and Administration.

(b) If during any fiscal year the governmental revenues available to the state or a state agency are not sufficient to cover the appropriations made by the General Assembly from the revenues, then:

(1) The bonded disbursing officer for each agency is responsible and held accountable for the incurring of any obligations and disbursements of any funds in behalf of the agency for which he or she acts as disbursing officer. He or she shall keep advised as to the amount of governmental revenues available for the operation of his or her agency. Each disbursing officer is prohibited from incurring any obligations in excess of the funds made available by this chapter and other laws providing revenues for any such agency, and the disbursing officer is subject to the restrictions and limitations of this chapter;

(2) The Chief Fiscal Officer of the State shall exercise the

powers of his or her office to enforce the fiscal laws of the state to prohibit deficit spending and to promulgate rules that will require that all agencies comply with the fiscal laws.

(3)(A) The Chief Fiscal Officer of the State may require, whenever he or she deems necessary, a financial report from any agency.

(B) If a financial report or any other available information of an agency that has appropriated funds or an agency that has both state and bank funds reveals that the agency is in financial distress, then the Chief Fiscal Officer of the State may direct that all of the funds of the agency, including any bank funds, are subject to approval under this chapter;

(4) If during any year it is determined that the proposed disbursements exceed the amount approved for that year, then, upon direction of the Chief Fiscal Officer of the State, necessary reductions in proposed disbursements shall be made;

(5) If, in accomplishing the necessary reductions in disbursements, it is required to reduce the salaries of employees, the reductions shall be made in proportion to existing salaries, and the reductions shall be made in the salaries of all employees, including administrators and directors;

(6) The Chief Fiscal Officer of the State shall withhold all distributions of special and general revenues as prescribed in this chapter and in the Revenue Stabilization Law, § 19-20-101 et seq., at any time that a state agency fails to comply with the restrictive provisions of this chapter; and

(7)(A) The creditors of an agency have first consideration in connection with disbursement of the funds of the agency.

(B) If the funds of an agency become depleted to an extent that the creditors cannot be paid from funds on hand or that will become available during the same fiscal year, the Chief Fiscal Officer of the State shall direct the agency to stop incurring obligations until the funds on hand and the funds estimated to become available are sufficient to meet all the obligations.

Subchapter 13 — Monitoring for Deficit Spending

19-4-1301. Legislative intent and purpose.

(a) This subchapter is an addition to the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., and other fiscal laws of this state. This subchapter is enacted for the purpose of imposing additional duties and responsibilities upon the Chief Fiscal Officer of the State to monitor state expenditures and financial obligations in order to assure that all state agencies, programs, and services plan and use the funds provided or made available for the support of the essential services of government within their respective jurisdictions. This monitoring shall be done without incurring obligations or commitments that would exhaust the available funds within a time frame of less than twelve (12) months or that would create deficits.

(b) The General Assembly is cognizant of the economic recession that has reduced the growth of state revenues that are available for the operation of many of the programmed commitments or expansions of services of government. By this subchapter the General Assembly intends to strengthen the responsibilities and duties of the Chief Fiscal Officer of the State to provide for the planned and orderly, yet rigid, enforcement of the various laws of this state designed to protect against deficit spending.

(c) It is further the intent and purpose of this subchapter to mandate that all public officials, administrators, and employees charged with the responsibility of administering and disbursing state funds be held strictly accountable for the administration of the programs under their jurisdiction. Those officials, administrators, and employees shall periodically reevaluate and modify, if necessary, the various programs and services under their respective jurisdiction to assure the orderly providing of the greatest possible level of essential services and programs on a regular twelve-month basis, within the limitation of the funds available.

(d) The General Assembly further recognizes that many agencies may have to evaluate and curtail projected or planned program expansions. Many agencies may also have to exercise options to reduce the levels of existing services or program commitments to keep the projected expenditures for the programs or services within the limitations of funds estimated to be available for the programs or services, as provided in this subchapter. It is the intention of the General Assembly that each state agency review its ongoing obligations and services and make the necessary adjustments to

provide the greatest possible level of essential services commensurate with the funds available on a year-round, twelve-month basis.

19-4-1302. Provisions supplemental.

This subchapter is supplemental and in addition to the fiscal laws of this state and repeals only those laws and parts of laws that are specifically in conflict with this subchapter.

19-4-1303. Exemptions.

Funds disbursed by the Arkansas Department of Transportation, the Arkansas State Game and Fish Commission, and the Office of the Arkansas Lottery and the funds appropriated in the general appropriation bill provided for in Arkansas Constitution, Article 5, § 30, are exempt from this subchapter.

19-4-1304. Failure to conform to directives and mandates.

(a) If a state agency fails or refuses to conform to the directives and mandates of the Chief Fiscal Officer of the State to restrict or curtail its financial obligations or program commitments as intended by this subchapter, the executive head of the agency or members of the board or commission responsible for the agency may be guilty of misfeasance in office or employment and may be removed from office by appropriate legal proceedings.

(b) The fact that it may be necessary for an agency to reduce existing levels of services to conform to orders or directives of the Chief Fiscal Officer of the State, as intended by this subchapter, is not lawful justification for failure to conform to the orders or directives.

19-4-1305. Failure to perform duties.

If the Chief Fiscal Officer of the State fails to perform his or her duties as mandated under this subchapter and within the time limitations set forth in this subchapter, he or she is guilty of misfeasance of his or her office and may be removed from office in the manner provided by law.

19-4-1306. Procedures for monitoring agency expenditures and fiscal operations.

(a) In addition to the powers and duties provided under this chapter and other fiscal laws of the state, the Chief Fiscal Officer of the State shall invoke additional procedures to assure that all state agencies are operated on a planned and orderly basis of essential services within the limitations of funds available.

(b) In furtherance of the purposes of this subchapter, the Chief Fiscal Officer of the State shall institute the following additional procedures and controls:

(1)(A) At least thirty (30) days before the commencement of each fiscal year, the Chief Fiscal Officer of the State shall make studies for the purpose of estimating the anticipated amount of general and special revenues to be made available for distribution under the Revenue Stabilization Law, § 19-20-101 et seq., and for the support of agencies that derive their support from special revenues, for the fiscal year or the fiscal quarter, or for any calendar month if he or she deems it necessary. In addition, the Chief Fiscal Officer of the State shall compute the estimated amount of general revenues that will be available for distribution to the respective State Treasury accounts in accordance with the respective percentage distributions of general revenues authorized under the Revenue Stabilization Law, § 19-20-101 et seq.

(B) Each executive head of an agency responsible for administering special revenues or federal funds shall notify the Chief Fiscal Officer of the State of any unusual events that would adversely affect the estimate of the moneys received upon which the agency is operating. The notification shall be given immediately upon knowing of the existence of those events by the executive head of the agency;

(2) Upon completion of revenue estimates for each fiscal year or each fiscal quarter, or monthly if deemed necessary, the Chief Fiscal Officer of the State shall prepare schedules reflecting the estimated amount of general revenues to be available for distribution to the State Treasury funds and accounts for each of the agencies that share in the distribution of general revenue funds of the state, either in whole or in part. In addition, the Chief Fiscal Officer of the State may require the preparation of estimates from the administering agency or prepare estimates of the anticipated amount of special revenues to be available for distribution to those agencies that receive support from special revenues, from both general

and special revenues, or from cash funds or other sources;

(3)(A) After preparing the estimates and schedules for each fiscal year, fiscal quarter, or month, the Chief Fiscal Officer of the State shall review the annual operations budgets of each agency.

(B) The Chief Fiscal Officer of the State shall institute controls that he or she deems necessary to modify or restrict the level of approved expenditures that may be incurred by each agency to assure that sufficient funds will be available to maintain a minimum level of essential services and programs by each agency without undue interruption or curtailment of the level of programs and essential services provided for any extended period during each fiscal year or that might create circumstances that would institute deficit spending to meet the obligations or services in excess of the funds available for the support thereof, as provided by law; and

(4) If in reviewing the annual operations budgets of a state agency, the Chief Fiscal Officer of the State determines that the level of operations of the agency or the projected commitment of the agency is being operated in a manner that would impose serious curtailment of essential services or would create circumstances of deficit spending, then he or she shall immediately notify the executive head of the agency responsible for the operation of the services as to the curtailments and controls that should be instituted to bring the level of operations or services within the necessary fiscal restraints recommended by the Chief Fiscal Officer of the State.

(c) The Chief Fiscal Officer of the State shall furnish a copy of each directive issued under subdivision (b)(4) of this section to the Governor, to the Legislative Council, and to the Legislative Joint Auditing Committee.

Subchapter 14 — Construction of Buildings and Facilities

19-4-1401. Notice required.

(a) In all instances in which the state has an interest in construction work requiring bids, the notice provisions of §§ 22-9-201 — 22-9-204 shall be complied with and observed.

(b) This subchapter does not amend or repeal §§ 22-9-201 — 22-9-204, except those emergency procedures provided by §§ 22-9-201 — 22-9-204.

19-4-1402. Contracts to be filed.

(a) Executed counterparts of all contracts entered into by a state agency with respect to proposed projects for new improvements or major repairs or additions to existing buildings and facilities shall be approved by and filed with the Building Authority Division before the issuance of any vouchers making payments under the contract, unless the contract is exempted from the jurisdiction of the Building Authority Division by a law or a rule promulgated under the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(b)(1) The boards of trustees of the University of Arkansas, Arkansas State University, University of Central Arkansas, Henderson State University, Arkansas Tech University, and Southern Arkansas University, respectively, are exempt from the requirements of this section requiring the filing of the contracts with the Building Authority Division.

(2) The governing boards of all other public institutions of higher education shall be exempt from the requirement for approval and filing of the contracts with the Building Authority Division:

(A) Upon approval of the Division of Higher Education; and

(B) If, before granting approval, the Division of Higher Education has reviewed and approved policies and procedures adopted by the governing boards of the public institutions of higher education with respect to bidding and construction of capital improvement projects.

(3) This section does not prevent a public institution of higher education exempt under this subsection from entering into an agreement with the Building Authority Division to file its contracts with the Building Authority Division.

(c)(1) All contracts for new improvements or major repairs or additions to existing buildings and facilities under this subchapter shall include a project disclosure statement prepared by the agency, board, commission, or public institution of higher education.

(2) The disclosure statement shall provide the estimated timeline, scope, and cost of the total project.

(3) The disclosure statement shall not be construed as authorizing:

(A) Additional work that is beyond the scope of the bid documents; or

(B) Payment exceeding the contract amount.

(d) This section does not prohibit an agency, board, commission, or public institution of higher education from executing contract amendments.

19-4-1403. Agencies exempted.

This subchapter does not apply to the State Highway Commission and the Arkansas Department of Transportation.

19-4-1404. Forces employed.

(a)(1) If an agency of the state determines to construct buildings and facilities or to make repairs or additions to existing buildings and facilities and there are funds available for these purposes, then the agency may undertake the project by the employment and use of its own forces, or by contract, or in part by its own forces and in part by contract, all as in the opinion of the agency is in the best interest of the state.

(2) The agency may employ architects for the purposes stated under subdivision (a)(1) of this section.

(b) This section does not apply to a city, town, county, or school district within this state.

19-4-1405. Bidding procedure — Definition.

(a)(1) After a state agency has caused the preparation and has approved plans and specifications, the state agency shall then proceed to advertise for bids for the contemplated work by the publication of notice one (1) time each week for not less than two (2) consecutive weeks for projects over the amount of fifty thousand dollars ($50,000), and shall proceed to advertise for bids one (1) time each week for not less than one (1) week for projects more than the quote bid and less than or equal to fifty thousand dollars ($50,000).

(2) The notice under subdivision (a)(1) of this section shall:

(A)(i) Be published in a newspaper of general circulation published in the county in which the proposed improvements are to be made or in a trade journal reaching the construction industry.

(ii) The last publication in the newspaper shall be not less than one (1) week before the date on which the bids are to be received.

(B) Provide for the receipt of sealed bids;

(C) Set forth the time and place in which the bids will be received;

(D) Specify from whom copies of the plans and specifications and a draft of the proposed contract may be obtained for examination;

(E) Contain the amount of the bid security; and

(F) Contain such other information and requirements as, in the opinion of the state agency, may be necessary or desirable.

(b)(1) On the date and time fixed in the notice, the state agency shall open, tabulate, and compare bids, and award the contract to the lowest responsible bidder.

(2) However, the state agency shall have the right to reject any bids and to waive any formalities.

(c)(1) The successful bidder shall be required to furnish bonds to the State of Arkansas, with corporate guaranty or indemnity sureties on the bonds.

(2)(A) The bonds shall be both for the completion of the construction free of all liens and encumbrances, in an amount fixed by the Building Authority Division, and for the protection of the state agency and the state agency's members against all liability for injury to persons or damage to, or loss of, property arising, or claimed to have arisen, in the course of the work project, within limits fixed by the division.

(B) However, for projects undertaken by public institutions of higher education, the bonds shall be in an amount and within limits fixed by the governing board of the public institution of higher education.

(d)(1)(A) Every bid submitted on state agency construction contracts for projects over the amount stated in § 22-9-203 is void unless accompanied by a cashier's check drawn upon a bank or trust company doing business in this state or by a corporate bid bond and the agent's power of attorney as his or her authority.

(B) Bid security is not required for projects under or equal to the amount stated in § 22-9-203.

(2) The bid security shall indemnify the public against failure of the contractor to execute and deliver the contract and necessary bonds for

faithful performance of the contract.

(3) The bid security shall provide that the contractor or surety must pay the damage, loss, cost, and expense subject to the amount of the bid security directly arising out of the contractor's default in failing to execute and deliver the contract and bonds.

(4) Liability under this bid security shall be limited to five percent (5%) of the amount of the bid.

(e)(1)(A) When it is obvious from examination of the bid document that it was the intent of a bidder to submit a responsive bid and because of a scrivener's error, the bid, if accepted, would create a serious financial loss to the bidder, the Secretary of the Department of Transformation and Shared Services may relieve the bidder from responsibility under his or her bond and may reject the bid.

(B) However, for projects undertaken by public institutions of higher education exempt from review and approval of the division, the chief executive officer of the public institution of higher education or his or her designee may relieve the bidder from responsibility under his or her bond and may reject his or her bid in the same manner and within the same period as allowed by the division.

(2) As used in this section, "scrivener's error" means:

(A) An error in the calculation of a bid which can be documented by clear and convincing written evidence and which can be clearly shown by objective evidence drawn from inspection of the original work papers, documents, or materials used in the preparation of the bid sought to be withdrawn; and

(B) In the case of a bid sought to be withdrawn, the bid was submitted in good faith and the mistake was due to a calculation or clerical error, an inadvertent omission, or a typographical error as opposed to an error in judgment.

(3)(A) To receive relief under subdivision (e)(1) of this section, the bidder must serve written notice to the secretary or to the chief executive officer or his or her designee of a public institution of higher education exempt from review and approval of the division any time after the bid opening, but no later than seventy-two (72) hours after receiving the intent to award, excluding Saturdays, Sundays, and holidays.

(B) Failure to make a withdrawal request within seventy-

two (72) hours shall constitute a waiver by the bidder of the bidder's right to claim that the mistake in his or her bid was a scrivener's error.

(4) If the secretary or the chief executive officer or his or her designee of a public institution of higher education exempt from review and approval of the division has relieved the bidder from responsibility under his or her bond, action on the remaining bids should be considered as though the withdrawn bid had not been received.

(f)(1) A state agency shall not require in plans or specifications that a bidder or supplier:

(A) Hold membership in any professional or industry associations, societies, trade groups, or similar organizations;

(B) Possess certification from any professional or industry associations, societies, trade groups, or similar organizations as steel building fabricators; or

(C) Be endorsed by any professional or industry associations, societies, trade groups, or similar organizations.

(2) However, plans and specifications may include or reference standards adopted by professional or industry associations, societies, trade groups, or similar organizations.

19-4-1406. Method of financing.

(a) Before a state agency enters into a contract of employment with an architect or takes any other affirmative action toward the construction or financing of a project as provided in this subchapter, it shall submit to the Chief Fiscal Officer of the State, in writing, a summary statement setting forth:

(1) A general description of the proposed project;

(2) Its estimated overall costs; and

(3) The method it proposes to use to finance its cost, which shall be a method of financing that must be approved by the Governor.

(b)(1) After examining the method of financing and making such investigation as he or she shall deem necessary or advisable, the Chief Fiscal Officer of the State shall notify the agency, in writing, of his or her and the Governor's approval or disapproval of the method of financing the project.

(2) In the event of disapproval by the Chief Fiscal Officer of

the State and the Governor under subdivision (b)(1) of this section, the agency may submit an alternate plan of financing the project.

(3) In any event, affirmative action shall not be taken by the agency until a method of financing is approved by the Governor and the Chief Fiscal Officer of the State under subdivision (b)(1) of this section.

(4) The Chief Fiscal Officer of the State may not pass upon the need for any construction of a project as provided in this subchapter, as such authority is vested solely in the agency.

(c)(1) The method of financing as required by this subchapter shall include estimated dates for commencing and completing the project.

(2) After the contracts for the project have been awarded, then the method of financing shall be amended to include the estimated dates of completion in accordance with the awarded contracts.

19-4-1407. Matching funds.

(a) If funds provided by the state for projects regulated in this subchapter are subject to matching provisions, the Chief Fiscal Officer of the State shall require in the proposed method of financing that all of the funds or approved grants available for the proposed project, including state, federal, and agency funds, shall be considered in connection with preliminary planning and the awarding of contracts in connection with the project.

(b) In those instances in which construction projects utilize funds other than those deposited into the State Treasury, the Chief Fiscal Officer of the State shall prescribe the procedure for payments from all other funds made available to the agency.

19-4-1408. Use of other funds.

(a)(1) A state agency for which appropriations have been made by the General Assembly for construction and improvements shall not make any contract or incur any indebtedness payable from those appropriations until there are sufficient funds on hand or, in the case of federal grants, until the grant has received final approval from the granting federal agency for the benefit of the state agency to pay for the proposed obligations under the contracts.

(2) An agency may accept and use grants and donations and use the agency's unobligated cash income and other funds available to the agency

to supplement appropriations for construction purposes.

(b) The appropriations and funds otherwise provided by the General Assembly for personal services, maintenance, and general operation of the agency shall not be used in connection with any proposed construction projects for which specific appropriations have been made by the General Assembly.

19-4-1409. Completion of contracts.

Upon completion of each contract awarded for the fulfillment of a project authorized by the General Assembly:

(1) The affected state agency shall notify the Department of Finance and Administration of the culmination of the contract;

(2) No further expenditures or obligations shall be incurred; and

(3) The unexpended and unobligated funds shall be impounded.

19-4-1410. Processing of payments.

(a)(1) When a contractor submits a properly prepared request for payment of work completed on state construction projects and the request for payment conforms with the provisions of the contract award and laws of the State of Arkansas, the following maximum time is allowed for the processing of the payment requests by the various parties involved, excluding time required for transmittal from one (1) party to another:

(A) A design professional — five (5) working days;

(B) A state agency or institution of higher education exempt from review and approval by the Building Authority Division — five (5) working days, including preparation of a voucher and submission for payment; and

(C) The Department of Finance and Administration — five (5) working days.

(2) If payment is contested by any of the parties listed in this subsection, it shall be the responsibility of the parties contesting the payment, within the time specified for processing payment, to notify the contractor involved that payment has been contested and reasons for contesting the payment.

(3) If any of the parties listed in this subsection fails to

properly process uncontested requests for payments within the time limits specified following date of receipt, a penalty of eight percent (8%) per annum of the amount of the request for payment shall be assessed against the parties responsible for the delay.

(b)(1) The Chief Fiscal Officer of the State shall establish procedures for monitoring payments to contractors. When it has been determined that payment processing has exceeded the time limits established in this section, the Chief Fiscal Officer of the State shall cause an investigation to be made for the purpose of determining the responsible parties and the amount of penalty to be paid.

(2) Penalties assessed for failure to comply with this section shall be paid to the contractor by the parties responsible in accordance with procedures established by the Chief Fiscal Officer of the State.

19-4-1411. Fund balances.

(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 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.

(b) This section does not limit the authority of the General Assembly to appropriate funds for the benefit of any proposed new or existing capital improvement project of the various state agencies.

19-4-1412. Projects constructed with private funds.

(a) If funds from private sources are provided to a public institution of higher education for projects that exceed five million dollars ($5,000,000) regulated in this subchapter sufficient to finance at least eighty percent (80%) of the estimated cost of the proposed project, excluding the cost of land, this subchapter and all other provisions of the Arkansas Code governing construction of public facilities, including without limitation §§ 22-9-101 and 22-9-103 and §§ 22-9-201 — 22-9-212, shall not be applicable to such projects, subject to the following:

(1)(A) The governing board of the public institution of higher

education shall have adopted a resolution and procedure that shall:

(i) Set forth the method by which the architect, engineer, construction manager, contractor, and major subcontractors are to be selected for the project;

(ii) Include by appropriate public notice and solicitation the opportunity for qualified, licensed professionals to submit proposals and assure the design and completion of the project in an expeditious manner while adhering to high standards of design and construction quality; and

(iii) Require a payment and performance bond in an amount determined by the governing board and provide for the manner in which the construction shall be managed and supervised.

(B) In selecting a contractor and other professionals for the projects, the governing board of the public institution of higher education shall consider the experience of the person or firm in constructing similar projects, the record of the person or firm in timely completion of such projects, and other similar matters to assure that the person or firm will complete the project within the time and to the specifications set by the governing board of the public institution of higher education;

(2)(A) Before the public institution of higher education enters into a contract with an architect, engineer, construction manager, or contractor for the design, construction, or financing of any project financed from private funds as provided in this section, the public institution of higher education shall submit to the Chief Fiscal Officer of the State and the Legislative Council, in writing, a summary statement setting forth a general description of the proposed project, its estimated overall cost, and the method proposed to finance the cost, including a description of the sources and amount of private funds.

(B) The Chief Fiscal Officer of the State may forward a copy of this statement to the Building Authority Division, the Secretary of the Department of Transformation and Shared Services, and the Governor for information; and

(3) To enable a public institution of higher education to qualify under this subsection, the private funds shall be paid to the public institution of higher education or to a fund or foundation for the benefit of the public institution of higher education, and such funds may be represented

in whole or in part by a written pledge or commitment from a donor, if the public institution of higher education assures itself of the financial stability of the donor to fulfill the pledge or commitment.

(b) Notwithstanding anything in this section to the contrary, § 19-4-1405(f), §§ 22-9-401 — 22-9-404, § 22-9-501 et seq., § 22-9-601 et seq., and § 22-9-701 et seq. shall remain in full force and effect and shall not be affected by this section.

19-4-1413. Projects exceeding five million dollars.

(a) If funds from any sources are provided to state agencies for projects that exceed five million dollars ($5,000,000), excluding the cost of land, this subchapter and all other provisions of the Arkansas Code governing construction of public facilities, including without limitation § 22-9-201 et seq., at the election of state agencies or the institutions of higher education set forth in subdivision (b)(5) of this section shall not be applicable to the projects if the selection and contracting process set forth in this section is followed.

(b)(1) A contract for projects between the state agency and the construction manager, general contractor, architect, or engineer shall not be entered into without first obtaining approval of the Building Authority Division and review by the Legislative Council.

(2) The division shall have involvement in the selection and contract process from the project inception.

(3) There shall be separate contracts for design and construction services.

(4) The division may promulgate rules pertaining to the process for awarding and overseeing the contracts.

(5) The Board of Trustees of the University of Arkansas and the Board of Trustees of the Arkansas State University System are exempt from review and approval by the division and any rules promulgated by the division, if the Board of Trustees of the University of Arkansas and the Board of Trustees of the Arkansas State University System have adopted policies and procedures involving the awarding and oversight of the contracts for design and construction services.

(6) All procedures pertaining to the contracts shall provide, to the extent practicable, substantial uniformity between institutions of higher

education with respect to the policies and procedures to be followed.

(c)(1) For all projects contemplated or contracted for, the division shall:

(A) Review and approve the advertisement as stated in subsection (d) of this section, the scope of work, the site selection, funding review, and, to the extent available, all project drawings, plans, and specifications before solicitation of proposals for the project;

(B) Conduct on-site observations of the construction project on a regular basis and maintain project records; and

(C)(i) Review and approve all contract amendments.

(ii) State agencies shall submit a summary of all contract amendments to the Legislative Council.

(2)(A) The institutions of higher education stated in subdivision (b)(5) of this section shall perform all duties and responsibilities stated in subdivision (c)(1) of this section under policies and procedures adopted by their governing boards.

(B) Institutions of higher education shall submit a summary of all contract amendments to the Legislative Council.

(d)(1) The selection procedures for the construction manager, general contractor, architect, or engineer shall provide for solicitation for qualified, licensed professionals to submit proposals.

(2) The procedures shall assure the design and completion of the project in an expeditious manner while adhering to high standards of design and construction quality.

(3) The state agency and each institution of higher education stated in subdivision (b)(5) of this section shall:

(A) Publish notice of its intention to receive written proposals three (3) consecutive days in a newspaper of statewide distribution;

(B) Allow a minimum of ten (10) working days for the professionals to send letters or resumes in response to newspaper advertisement; and

(C) Provide additional means of notification, if any, as the state agency or institution of higher education stated in subdivision (b)(5) of this section determines is appropriate.

(e)(1)(A) A preselection committee, which shall be composed of no more

than three (3) members from the state agency and two (2) members from the division, shall review the proposals.

(B) A preselection committee for institutions of higher education stated in subdivision (b)(5) of this section shall consist of at least three (3) members as determined by each of the institutions of higher education, and the members may be from the division.

(C) The preselection committee shall select a maximum of five (5) applicants and schedule interviews.

(D) The state agency or an institution of higher education as stated in subdivision (b)(5) of this section shall notify the finalists of their status.

(2)(A) The final selection committee shall be composed of the three (3) members from the state agency on the preselection committee.

(B) The final interviews shall be held at the time and date as designated by the final selection committee.

(C) Representatives of the division may attend the final selection meeting, but shall not vote in the final selection process.

(D) The final selection committee for institutions of higher education stated in subdivision (b)(5) of this section shall consist of at least three (3) members as determined by each of the institutions of higher education.

(E) Members of a preselection committee may also serve as members of the final selection committee of the institutions.

(F) In selecting a general contractor, construction manager, architect, or engineer, the state agency or institution of higher education as stated in subdivision (b)(5) of this section shall consider its established criteria which shall include without limitation the following:

(i) The experience of the professional or professionals in similar projects;

(ii) The record of the professional or professionals in timely completion of the projects with high quality workmanship; and

(iii) Other similar matters to determine that the professional or professionals will complete the project within the time and budget and to the specifications set by the state agency or institution of higher education as stated in subdivision (b)(5) of this section.

(3)(A) The final selection committee shall select or make a

formal recommendation to its governing body of the professional or professionals that it determines to be in the best interest of the state.

(B) Contracts for architectural, engineering, and land surveying professional consultant services shall be negotiated on the basis of demonstrated competence and qualifications for the type of services required and at fair and reasonable prices without the use of competitive bidding, and a rule shall not inhibit the agency's authority to negotiate fees for the services.

(C) The final selection committee for the institutions of higher education as stated in subdivision (b)(5) of this section shall make a recommendation to its governing board or appropriate committee of its governing board of the professional or professionals which it determines to be in the best interest of the institution of higher education, and the governing board shall make the final decision and authorize the contract or contracts to be negotiated and awarded, unless the governing board has delegated the action to a committee of the governing board.

(f)(1) Construction contracts for the projects shall not be entered into without a payment and performance bond in the amount of the contract and any amendments to the contract and shall provide for the manner in which the construction shall be managed and supervised.

(2) All project architects and engineers shall be properly licensed in accordance with the Arkansas State Board of Architects, Landscape Architects, and Interior Designers and the State Board of Licensure for Professional Engineers and Professional Surveyors.

(3) The construction manager or general contractor shall be properly licensed by the Contractors Licensing Board.

(4)(A) All subcontractors on the project shall be properly licensed by the Contractors Licensing Board.

(B) Any person who is not considered a contractor under § 17-25-101 et seq. may continue to perform subcontracting work under this subchapter.

(g)(1) To enable a state agency or an institution of higher education as stated in subdivision (b)(5) of this section to qualify under this section, the funds shall be paid to or for the benefit of the state agency or institution of higher education, or to a fund or foundation for the benefit of the state agency or institution of higher education.

(2) The funds may be represented in whole or in part by a written pledge or commitment from a donor, if the state agency or institution of higher education assures itself of the financial stability of the donor to fulfill the pledge or commitment.

(h) All projects constructed pursuant to this section, to the extent applicable, shall be in accordance and compliance with:

(1) Section 17-38-101 et seq., regulating plumbers;

(2) Section 17-33-101 et seq., regulating the heating, ventilation, air conditioning, and refrigeration industry;

(3) The Fire Prevention Act, § 12-13-101 et seq.;

(4) Section 12-80-101 et seq., regarding earthquake resistant design for public structures;

(5) Americans with Disabilities Act Accessibility Guidelines, 28 C.F.R. Part 36, Appx. A, adopted by the division; and

(6)(A) The minimum standards of the division and criteria pertaining to projects constructed under this section.

(B)(i) However, institutions of higher education as stated in subdivision (b)(5) of this section shall be exempt from these standards and criteria, if the institutions of higher education have adopted policies and procedures involving the awarding and oversight of contracts for projects under this section.

(ii) It is the intention of this section that all procedures adopted by institutions of higher education pertaining to the contracts shall provide, to the extent practicable, substantial uniformity between institutions of higher education with respect to the policies and procedures to be followed.

(iii) Notwithstanding anything in this subsection to the contrary, § 19-4-1405(f), §§ 19-11-1412, 19-65-101, 19-65-102, 22-9-101, 22-9-103, 22-9-104, 22-9-212, 22-9-213, § 22-9-401 et seq., § 22-9-501 et seq., § 22-9-601 et seq., and § 22-9-701 et seq. shall remain in full force and effect and shall not be affected by this section.

19-4-1414. Job order contracting — Definitions.

(a) As used in this section, "job order contracting" means the acquisition of contracting services using a selection method that requires contractors to submit qualifications and prices based on wage rates inclusive

of fringes and burden, plus a pricing matrix for markups on materials and subcontractors.

(b) The state agency or the institution of higher education may supply all materials for the work with no additional markup if the materials may be purchased off state contracts at a lesser price than the contractor would be able to procure.

(c)(1)(A) After a state agency or institution of higher education has prepared appropriate scope documents and achieved appropriate reviews, the state agency or institution of higher education shall advertise for bids and award and file contracts for the contemplated work as identified in §§ 19-4-1401 — 19-4-1405.

(B) Additional work may be awarded based upon the initial bid within the fiscal year.

(2)(A) The bidder may not submit a multiplier representing estimated cost inflation as part of the formal bid process.

(B) The bid will represent the fixed price amount for the fiscal year.

(3) The most qualified bidder offering the best value for the state agency or the institution of higher education shall be selected to perform the construction services identified in the construction specifications.

(d)(1) Job order contracting bid awards:

(A) Shall not extend beyond one (1) fiscal year; and

(B) Shall not exceed:

(i) Seven hundred fifty thousand dollars ($750,000) per construction job for the first year of the contract for state agencies; and

(ii) One million two hundred thousand dollars ($1,200,000) per construction job for the first year of the contract for institutions of higher education.

(2) However, reasonable extensions may be granted at the beginning of each new fiscal year not to exceed a total of four (4) years, if:

(A) The price remains mutually agreeable to the state agency or the institution of higher education and the contractor; and

(B) The quality of the work is satisfactory to the state

agency or the institution of higher education.

(3) On or before the four-year threshold under subdivision (d)(2) of this section, the state agency or the institution of higher education shall bid the construction service to assure competitive opportunities and lowest cost circumstances.

(e)(1) Executed counterparts of a contract entered into by a state agency with respect to job order projects shall be approved by and filed with the Building Authority Division before the issuance of any vouchers making payments under the contract.

(2)(A) The boards of trustees of the University of Arkansas, Arkansas State University, University of Central Arkansas, Henderson State University, Arkansas Tech University, and Southern Arkansas University are exempt from the requirements of this section regarding the approval and filing of the contracts with the Building Authority Division.

(B)(i) With the exception of those boards of trustees listed in subdivision (e)(2)(A) of this section, the governing board of a public institution of higher education is exempt from filing the contracts with the Building Authority Division if the governing board of the public institution receives the approval of the Division of Higher Education.

(ii) Before granting approval under subdivision (e)(2)(B)(i) of this section, the Division of Higher Education shall review and approve the policies and procedures regarding bidding and construction of capital improvement projects as adopted by the governing board of the public institution of higher education.

(3) A public institution of higher education that is exempt under this section may enter into an agreement with the Building Authority Division to file its contracts with the Building Authority Division.

Subchapter 15 — Property and Equipment Inventory

19-4-1501. Uniform system of perpetual inventory.

The Chief Fiscal Officer of the State shall prescribe and establish a uniform system of perpetual inventory for property and equipment with a central control being established and maintained in the Department of Finance and Administration. In connection with the uniform system of perpetual inventory for property and equipment, the Chief Fiscal Officer of the State

shall:

(1) Prescribe the procedure of accounting and reporting for the sale, trade-in, exchange, discarding, junking, or other disposal of property and equipment and the system for receiving credit for lost, stolen, or damaged property and equipment. All state agencies shall be required to report promptly, upon forms approved by the Chief Fiscal Officer of the State, all such property or equipment disposed of, lost, or damaged;

(2) Require that the addition and disposition of all new property or equipment added, including purchase, trade-in, exchange, or transfer, or by constructing or making such property or equipment, shall be promptly reported upon such forms and in such detail as shall be required; and

(3) By rule, distinguish between items of equipment, and consumable supplies or goods, and such minor tools, materials, and parts as shall be deemed by the Chief Fiscal Officer of the State to be expendable within a reasonable period of time. The Chief Fiscal Officer of the State may also prescribe that minor equipment costing less than some minimum amount shall not be included in the perpetual inventory.

19-4-1502. Duty to keep record.

(a) The executive head of each state agency shall keep and maintain a record of all property of the agency, belonging to the State of Arkansas.

(b) The executive head of each agency shall be held accountable for all state property under his or her control and shall keep and maintain a record of all state property under his or her control.

19-4-1503. Transfer or sale.

In order to expedite the necessary work of any state agency or to eliminate duplication and promote economy and efficiency, the Chief Fiscal Officer of the State may:

(1) Transfer property and equipment, including furniture, fixtures, and office equipment and supplies from one (1) agency to another if the property or equipment of the agency from which the transfer is made is not needed by the agency at the time of the transfer; or

(2) Sell surplus property and equipment of an agency at a reasonable fair value of the surplus property and equipment as authorized by

§ 25-8-106.

Subchapter 16 — Salaries and Payroll Disbursement

19-4-1601. Regular Salary Procedures and Restrictions Act.

(a) This section and § 21-5-101 shall be known as and may be cited as the "Regular Salary Procedures and Restrictions Act".

(b) Arkansas Constitution, Article 16, § 4, provides: "Except as provided in Arkansas Constitution, Article 19, § 31, the General Assembly shall fix the salaries and fees of all officers in the State; and no greater salary or fee than that fixed by law shall be paid to any officer, employee, or other person, or at any rate other than par value; and the number and salaries of the clerks and employees of the different departments of the State shall be fixed by law." Therefore, the following provisions shall be applicable to all authorized regular salary positions in appropriation acts unless specific exception is made otherwise by law:

(1) For any position authorized by the General Assembly for the benefit of any department, agency, board, commission, institution, or program for which the provisions of the Uniform Classification and Compensation Act, § 21-5-201 et seq., are to be applicable, it is declared to be the intent of the General Assembly that the Uniform Classification and Compensation Act, § 21-5-201 et seq., shall govern with respect to:

(A) The entrance pay level;

(B) The procedures by which salary increases may be granted; and

(C) The maximum pay level that may be paid for the grade assigned each employee under the provisions of the Uniform Classification and Compensation Act, § 21-5-201 et seq.;

(2) For any position authorized by the General Assembly for the benefit of any department, agency, board, commission, institution, or program for which a maximum pay level is set out in dollars, it is the intent of the General Assembly that the position is to be paid at a rate of pay not to exceed the maximum established for the position during any one (1) fiscal year and that the maximum pay level authorized is for full-time employment;

(3)(A) For all positions authorized by the General Assembly for any department, agency, board, commission, institution, or program, it is the

intent of the General Assembly that in determining the annual salaries of these employees, the administrative head of the department, agency, board, commission, institution, or program shall take into consideration ability of the employee and length of service.

(B) It is not the intent of the General Assembly that the maximum pay level as authorized in the appropriation act, or any increases established for the various grades under the provisions of the Uniform Classification and Compensation Act, § 21-5-201 et seq., be paid unless the qualifications are complied with and then only within the limitations of the appropriations and funds available for this purpose.

(C) An employee authorized by the General Assembly shall not receive from appropriated or cash funds, either from state, federal, or other sources, compensation in an amount greater than that established by the General Assembly as the maximum pay level for the employee unless specific provisions are made therefor by law; and

(4) An employee of the State of Arkansas shall not be paid any additional cash allowances, including without limitation uniform allowance, clothing allowance, motor vehicle depreciation or replacement allowance, fixed transportation allowance, and meals and lodging allowance, other than for reimbursement for costs actually incurred by the employee unless the allowances are specifically set out by law as to eligibility of employees to receive the allowances, and the maximum amount of the allowances is established by law for each employee or for each class of employee eligible to receive the allowances.

19-4-1602. Payroll deductions.

(a) Deductions from the payrolls of state employees, both regular and extra help, are authorized only for the following purposes:

(1) Withholding taxes;

(2) Social Security contributions;

(3) Contributions to any state retirement system or approved plan of deferred compensation;

(4)(A) Group or individual hospital, medical, and life insurance deductions.

(B) However, payroll deductions through the Arkansas state mechanized payroll system for state employees for coverages other than the

state-authorized plan shall be approved by the State Board of Finance;

(5) Payments to state employees' credit unions;

(6) Value of maintenance perquisites;

(7) Payment of union dues, when requested in writing by state employees;

(8) Purchase of United States Government savings bonds;

(9) Arkansas State Employees Association dues, when requested in writing by state employees;

(10) Fees for participation in the State Employees Benefit Corporation, when requested in writing by those state employees;

(11) Contributions to a major federated fund-raising organization, when authorized by state employees;

(12) Arkansas State Police Association dues, when authorized in writing by those state employees;

(13) Fraternal Order of Police dues, when requested in writing by those state employees;

(14) Central Arkansas State Troopers Coalition dues, when authorized in writing by state employees;

(15) Arkansas Rehabilitation Association dues, when authorized in writing by state employees;

(16) Correctional Peace Officers Foundation dues, when authorized in writing by state employees;

(17) Department of Corrections Employees Association dues, when requested in writing by employees;

(18) Arkansas Association of Correctional Employees Trust dues, when requested in writing by those employees;

(19) Division of Correction Bus Pool dues, when requested in writing by those employees;

(20)(A) Arkansas Brighter Future Fund Plan under the Arkansas Brighter Future Fund Plan Act, § 6-84-101 et seq., or a tax-deferred savings program established by another state under 26 U.S.C. § 529, as it existed on January 1, 2007.

(B) The tax-deferred savings plan must be in existence at the time the payroll deduction request is made.

(C) The state employee shall provide information on his or her Arkansas Brighter Future Fund Plan account to the Department of Finance

and Administration so that the payroll deduction can be credited to the appropriate account; and

(21) For such other purposes as are specifically authorized by law but not enumerated in this subsection.

(b) If a state employee authorizes in writing the payroll deduction of dues of any union or professional association representing the employee, the agency shall deduct the dues from the payroll of the state employee and remit the dues to the union or professional association.

(c) Deductions authorized by this section shall be made in compliance with rules and procedures established by the Secretary of the Department of Transformation and Shared Services.

19-4-1603. Procedures for position control.

(a) The Secretary of the Department of Transformation and Shared Services shall establish procedures for exercising position control applicable to those state agencies subject to the provisions of the Uniform Classification and Compensation Act, § 21-5-201 et seq.

(b) Exercising position control under subsection (a) of this section shall be interpreted as follows:

(1) The secretary shall assign a position control number to each line-item position authorized for the applicable agencies;

(2) The secretary shall establish reporting procedures so that agencies shall provide complete reports to the Department of Finance and Administration on the use of all authorized positions; and

(3) The secretary may restrict an agency's use of authorized positions only after finding that the agency is in financial difficulty and after invoking the fiscal controls provided in § 19-4-701 et seq. and § 19-4-1201 et seq.

19-4-1604. Salary from two agencies.

(a) Except as provided in subsections (b) and (c) of this section, a person drawing a salary or other compensation from one state agency shall not be paid salary or compensation, other than actual expenses, from any other state agency except upon written certification to and approval by the Secretary of the Department of Transformation and Shared Services and by the head of each state agency, stating that:

(1) The work performed for the other state agency does not interfere with the proper and required performance of the person's duties; and

(2) The combined salary payments from the state agencies do not exceed the larger maximum annual salary of the line-item position authorized for either state agency from which the employee is being paid.

(b)(1) This section does not prohibit a state employee from contracting to temporarily teach as adjunct faculty at a state-supported institution of higher education and thereby receive combined salary payments from the two (2) state agencies in excess of the larger maximum annual salary of the line-item position authorized from either state agency.

(2)(A) This section does not prohibit a part-time or job-share public defender from receiving compensation from an appellate court for work performed in connection with an indigent client's appeal to the Supreme Court or the Court of Appeals.

(B) A person employed as a full-time public defender who is not provided a state-funded secretary may also seek compensation for appellate work from the Supreme Court or the Court of Appeals.

(3) This section does not allow a state employee to be on paid sick leave with a state agency and to be paid a salary or compensation from another state agency.

(c) A person drawing a salary or other compensation from a state agency or institution of higher education shall not be paid a salary or compensation from another institution of higher education except upon the written certification to and approval by the Commissioner of the Division of Higher Education that the:

(1) Work performed for the other state agency or institution of higher education does not interfere with the proper and required performance of the person's duties; and

(2) Combined salary payments from the state agency and institution of higher education do not exceed the larger maximum annual salary of the line-item position authorized for either the agency or institution of higher education from which the employee is being paid.

19-4-1605. Payment from multiple funds.

In those instances in which a state agency has approved line-items for

salaries that are payable from more than one (1) fund, the Chief Fiscal Officer of the State may establish a paying account on his or her books and on the books of the Treasurer of State and the Auditor of State from which all such salaries may be paid, with provisions for reimbursing the paying account by directing the transfer of the necessary funds and appropriations on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State.

19-4-1606. Review of payroll required.

(a)(1) The Department of Transformation and Shared Services shall review the payroll of state agencies covered by the Uniform Classification and Compensation Act, § 21-5-201 et seq., with respect to the salaries of all employees of affected state agencies.

(2) The review under subdivision (a)(1) of this section shall determine the correctness of each payroll with respect to each position to assure compliance with the compensation plan and to assure that no position is being paid, during any payroll period, an amount greater than authorized in the compensation plan or the amount authorized for the position in the appropriation act applicable to the agency.

(b) A proposed rate of pay for an employee found not to be in accordance with the provisions of the Uniform Classification and Compensation Act, § 21-5-201 et seq., and the appropriation act governing the agency shall be changed to the appropriate rate of pay by the state agency covered by the Uniform Classification and Compensation Act, § 21-5-201 et seq., before the department approves it for payment.

(c) Payment of salary of an employee of a state agency affected by the Uniform Classification and Compensation Act, § 21-5-201 et seq., shall not be made without the certification of correctness by the department based on its review duties as provided in this section.

(d) The department may develop and implement rules and procedures to accomplish the purposes of this section.

19-4-1607. Monthly, biweekly, weekly, and hourly salaries.

(a)(1)(A) Except for those state agencies that operate principally on a scholastic year, or on a part-time basis, or when such salaries or personal services are specifically established for a period less than one (1) year,

all salaries established by the General Assembly shall be considered to be a maximum amount to be paid for a twelve-month payroll period.

(B) A greater amount than that established for the maximum annual salary of a state official or employee shall not be paid to the state official or employee during any such twelve-month payroll period, nor shall more than one-twelfth (1/12) of the annual salary be paid to the state official or employee during any calendar month unless authorized in this subchapter.

(2) The limitations set out in this section may be converted to biweekly or weekly increments of one-twenty-sixth (126) or one-fifty-second (152) of the maximum annual salary.

(3) For complying with federal requirements, upon approval of the Secretary of the Department of Transformation and Shared Services in consultation with the Chief Fiscal Officer of the State, the maximum annual salaries may be converted to hourly rates of pay for positions established on the basis of twelve (12) months or less if authorized by law.

(b) The remuneration paid to a state employee may exceed the maximum annual salary as authorized by the General Assembly as follows, and the following shall not be construed as payment for services or as salary as contemplated by Arkansas Constitution, Article 16, § 4:

(1) Overtime payments as authorized by law;

(2) Payment of a lump sum to a terminating state employee, to include lump-sum payments of sick leave balances upon retirement as provided by law;

(3) Payment for overlapping pay periods at the end of a fiscal year as defined or authorized by law;

(4) Payment for the biweekly twenty-seven (27) pay periods;

(5) Payment for career service recognition as authorized by law; and

(6) Payment in accordance with special language salary provisions in individual agency appropriation acts.

19-4-1608. Personal services less than 12 months.

If an appropriation is made for the payment of personal services, when it has been established by law on the basis of a scholastic year or for some other period less than twelve (12) months, then any person so employed may be

paid from bank funds for the remainder of the year if his or her services are required by the state agency.

19-4-1609. State-supported institutions of higher education.

(a)(1) Pursuant to administrative procedures established by the Chief Fiscal Officer of the State, each state-supported institution of higher education may request a salary and personal services matching, or a maintenance and general operations expense disbursement procedure, or both. This procedure shall be requested, in writing from the executive head, communicated to the Chief Fiscal Officer of the State by which, effective at a date in accordance with the request, each payroll for all salaries of the state-supported institution of higher education payable to employees, or a maintenance and general operations expense of the state-supported institution of higher education and personal services matching for employees of the state-supported institution of higher education, or both, may be disbursed by the state-supported institution of higher education and paid from state agency bank funds of the state-supported institution of higher education, subject to reimbursement and correction of reporting as provided in this section.

(2)(A) The Chief Fiscal Officer of the State may approve such salary and personal services matching, or a maintenance and general operations expense disbursement procedure, or both, for such reimbursement if he or she determines that each state-supported institution of higher education has complied with all administrative procedures established by the Chief Fiscal Officer of the State.

(B)(i) The Chief Fiscal Officer of the State may revoke any such approval by transmitting a thirty-day notice to the executive head of the state-supported institution of higher education when the Chief Fiscal Officer of the State finds that internal administrative procedures and controls of the state-supported institution of higher education are not adequate.

(ii) The Legislative Joint Auditing Committee shall advise the Chief Fiscal Officer of the State and keep him or her informed regarding any of its findings that may be relevant to such determination regarding these state-supported institutions of higher education.

(b)(1) Upon completion of salary and personal services matching, or a

maintenance and general operations expense disbursement, or both, by the state-supported institution of higher education, the disbursing officer or other appropriate official of the state-supported institution of higher education shall examine the payroll or a maintenance and general operations expense, or both, as disbursed for such amounts as are properly payable from State Treasury funds.

(2)(A) At such time as the disbursing officer or other appropriate official of the state-supported institution of higher education examines the payroll, or a maintenance and general operations expense for determining the reimbursable amount, or both, he or she shall also review the payroll or maintenance and general operations expense in order to discover any erroneous or improper payments as provided by law.

(B) The liability for erroneous or improper payments is with the executive head of that state-supported institution of higher education and its bonded disbursing officer, or his or her designated bonded assistant.

(c) All salaries and personal services matching, or a maintenance and general operations expense, or both, are subject to the restrictions and controls provided by law and the administrative procedures of the Chief Fiscal Officer of the State.

(d) Under this section, the University of Arkansas for Medical Sciences may utilize appropriated funds to authorize procedures for the disbursement of indigent care maintenance and general operations appropriations to be paid from cash funds of the University of Arkansas for Medical Sciences, subject to reimbursement and correction of reporting.

19-4-1610. Retroactive pay prohibited.

(a)(1) If a state employee is being paid less than the maximum provided for by law, and thereafter the head of the agency provides for an increase in the rate of pay for the state employee, the rate of pay shall not exceed one-twelfth (1/12) of the annual maximum amount of the salary position on which he or she is placed, for the remainder of the annual period.

(2) Payments under subdivision (a)(1) of this section shall not be made for a preceding fiscal year.

(b)(1) An increase in the rate of pay, either by paying the full amount of the maximum salary or by placing a state employee in a position

calling for a greater salary, shall not be construed as authorizing the payment of any retroactive salary to the state employee.

(2) Payments under subdivision (b)(1) of this section shall not be made for a preceding fiscal year.

(c)(1) Salary payments made to correct an administrative error shall not be considered retroactive pay, nor shall such a payment be construed as exceeding the state employee's maximum authorized pay.

(2) Payments under subdivision (c)(1) of this section may be made for a preceding fiscal year if:

(A) Requested within twelve (12) months of the end of the preceding fiscal year; and

(B) Upon the consent of the Secretary of the Department of Transformation and Shared Services in consultation with the Chief Fiscal Officer of the State.

19-4-1611. Supplemental payments prohibited.

(a) If the General Assembly has established by law the maximum annual salaries for certain positions for a state agency and has appropriated for those positions, a greater salary than that established by law shall not be paid to a person occupying the position by making supplemental payments from agency bank funds.

(b) However, the salaries under subsection (a) of this section may be paid partly from state-appropriated funds and partly from agency bank funds, but the aggregate of the payments shall not exceed the maximum annual salary rate, when the maximum annual salary rate is established by law.

19-4-1612. Overtime pay.

(a) It is the policy of the State of Arkansas that overtime pay for state employees is the least desirable method of compensation for overtime work.

(b)(1) All state departments, agencies, boards, commissions, and institutions may pay overtime to their employees, under the rules and regulations set out by the federal Fair Labor Standards Act of 1938.

(2)(A) The Secretary of the Department of Transformation and Shared Services shall specify those specific employees or groups of employees other than employees of the Arkansas Department of Transportation eligible to

receive overtime compensation, the circumstances under which overtime pay is to be allowed, and other matters the secretary finds appropriate and necessary to comply with the federal Fair Labor Standards Act of 1938 as regards the payment of overtime compensation.

(B) The Director of State Highways and Transportation shall make the determinations under this subsection as to employees of the Arkansas Department of Transportation.

(c) The rules authorized by this section shall not go into effect until the secretary, or the Arkansas Department of Transportation as to its employees, has sought the advice of the Legislative Council.

(d) If the federal Fair Labor Standards Act of 1938 is held, for whatever reason, to be nonapplicable to state employment, then any state department, agency, board, commission, or institution may pay overtime to its employees only if the General Assembly has given authorization by an appropriation.

(e)(1) The State Highway Commission:

(A) For the purpose of paying overtime, may transfer a portion of the appropriation for overtime in the operative appropriation act for the Arkansas Department of Transportation to the appropriation for regular salaries in the operative appropriation act for the Arkansas Department of Transportation; and

(B) Shall notify the Auditor of State and the Secretary of the Department of Finance and Administration of a transfer authorized under this subdivision (e)(1).

(2) If the commission makes a transfer under subdivision (e)(1) of this section:

(A) The overtime applicable to any salaries may be paid from the appropriation for regular salaries in the operative appropriation act for the Arkansas Department of Transportation; and

(B) One (1) state warrant may be issued to each employee for the total of the regular salary and overtime earned.

(3) The amount appropriated for salaries in the operative appropriation act for the Arkansas Department of Transportation may be exceeded for an employee eligible for overtime to the extent of the overtime paid to the employee.

(4) The overtime paid shall be identifiable for each employee,

and in total for all employees, on the voucher or other record that is submitted to support the issuance of a state warrant.

19-4-1613. Lump-sum terminal pay.

(a) Upon termination, resignation, retirement, death, or other action by which a person ceases to be an active employee of a state agency, the amount due the employee or his or her estate, including any accrued unpaid annual or holiday leave that is due in accordance with the policies of the state agency and lump-sum payments of sick leave balances upon retirement as provided by law, may, and should, be included in the final pay to the employee or his or her estate for the employee's active work, even though the final payment of salary or wages may exceed one-twenty-sixth (1/26) or other fractional amount based upon days, weeks, or months of the employee's annual authorized compensation at the date active employment ceases.

(b) An employee receiving the additional compensation shall not return to state employment until the number of days for which he or she received additional compensation has expired.

(c) Payment of the additional compensation shall not be considered as exceeding the maximum for a position so authorized.

(d) If an employee receives compensation for unused sick leave at retirement pursuant to § 21-4-501 and returns to state employment, the employee shall not be required to wait until the expiration of the number of days for which he or she received additional compensation before returning to state employment or to repay the amount of the compensation.

19-4-1614. Judicial awards under federal laws.

(a)(1) If a state employee, or the authorized agent of a state employee, files suit against the State of Arkansas in a court of competent jurisdiction for relief under Title VII of the federal Civil Rights Act of 1964, as amended, or the federal Civil Rights Act of 1866, or the federal Civil Rights Act of 1871, or the Fourteenth Amendment to the United States Constitution, and the court finds for the state employee and in so finding awards wages or salaries for personal services rendered in addition to wages or salaries already paid or due, the additional wages or salaries shall be paid from the regular salary appropriation from which the state employee is normally paid.

(2) If it is found, however, that a payment under subdivision (a)(1) of this section will impair the regular salary appropriation, the Chief Fiscal Officer of the State shall transfer the necessary appropriation from the maintenance and general operations appropriation of the employing agency to the regular salary appropriation in order that the additional wages or salaries shall be paid.

(b) Any liquidated damages awarded by the court, pursuant to the federal laws cited in subsection (a) of this section, are to be paid in the same manner as the additional wages or salaries provided for in subsection (a) of this section.

(c)(1) When notified that a state employee has filed suit or is in any other manner claiming redress under the federal laws cited in subsection (a) of this section, the Chief Fiscal Officer of the State may investigate the circumstances surrounding the claim.

(2) If, based on the evidence and facts found during the investigation under subdivision (c)(1) of this section, the Chief Fiscal Officer of the State determines or has reason to believe that the court would sustain the state employee's claim and find for the state employee and in so doing award wages or salaries in addition to those paid or due for the state employee's personal service rendered, then the Chief Fiscal Officer of the State, with the advice of the Legislative Council or the Joint Budget Committee, shall authorize payment of the additional wages or salaries as provided in subsection (a) of this section.

19-4-1615. Awards from Arkansas State Claims Commission.

(a) If a state employee is awarded a claim by the Arkansas State Claims Commission for wages or salaries for personal services rendered for a state agency, the award shall be processed through the state mechanized payroll system.

(b) The award under subsection (a) of this section shall be paid from the regular salaries and personal services matching appropriation from which the state employee is normally paid.

Subchapter 17 — Reimbursements, Collections, and Refunds

19-4-1701. Reimbursements and refunds generally.

(a) The Chief Fiscal Officer of the State shall prescribe the method of handling refunds and reimbursements to the state for moneys previously paid out or due the state. If no properly classified appropriation account exists on the books of the Chief Fiscal Officer of the State and the Auditor of State for which the respective refund is applicable, the Chief Fiscal Officer of the State may establish the appropriation account on the books of the Chief Fiscal Officer of the State, the Auditor of State, and the various fiscal officers.

(b) A refund shall not cause a transfer of appropriation on the books of the Chief Fiscal Officer of the State, the Auditor of State, and the various fiscal officers except for:

(1) Proceeds received from insurance policies for casualty losses by state agencies;

(2) Proceeds received from vendors on account of overpayment of obligations remitted by state agencies;

(3) Refunds to state agencies for cash advances or over-allocations made to state and local agencies for subgrants;

(4) Refunds to state agencies for the erroneous payment or overpayment of salaries to state employees;

(5) Proceeds derived from the maturity or redemption of investments;

(6) Reimbursements to institutions of higher education for cash fund expenditures for salaries that are properly chargeable to funds in the State Treasury;

(7) Federal reimbursements of expenses paid in advance by the state on behalf of the federal government; and

(8) Reimbursements by vendors or their agents for warranties, product rebates, and service adjustments.

19-4-1702. Petty cash imprest funds.

(a) Petty cash imprest funds for a state agency shall be approved by the Chief Fiscal Officer of the State only in the case of actual need for the funds in connection with the daily operations of the agency and are subject to limitations with respect to amount and use of the funds that may be prescribed by him or her.

(b) The petty cash imprest funds shall not be used to circumvent

purchasing rules, nor for the purpose of reimbursing individuals for travel expenses.

19-4-1703. Collections generally.

All fines, fees, penalties, court costs, taxes, and other collections that, by the laws of this state, are to be remitted directly to the Treasurer of State for credit in the State Treasury to an account of an agency of this state shall be remitted directly to the agency to whose account they are to be credited. Upon receipt, the agency shall transmit them to the Treasurer of State who shall credit them in the State Treasury to the account of the agency.

19-4-1704. Geological publications income.

Charges, income, receipts, or revenue derived from the sale of publications by the Office of the State Geologist shall be deposited into the State Treasury as a refund to expenditures.

19-4-1705. Deposits for highway employees retirement.

All moneys received in the State Treasury for deposit into the State Highway Employees' Retirement System Fund that are derived from the sale or redemption of stocks, bonds, or other securities, other than interest, are to be classified and handled on the books of the Treasurer of State, the Auditor of State, and the Department of Finance and Administration as a refund to expenditures.

19-4-1706. Grants, aids, and donations.

All state agencies are authorized to accept grants, aids, and donations and to enter into contracts to accept grants, aids, and donations. Following procedures prescribed by the Chief Fiscal Officer of the State, funds received from grants, aids, and donations may be deposited, disbursed, budgeted, and regulated.

19-4-1707. Federal funds generally.

(a) If the United States Congress appropriates funds for the benefit of the state or a state agency or if any federal funds are paid to the state or an agency thereof for the purpose of reimbursing the state for funds

previously paid out, and if any such federal funds are deposited into the State Treasury and there is no law providing for the depositing of those moneys into a state fund or appropriating them from a state fund, taking into consideration the provisions and requirements of the miscellaneous federal grant appropriation, then the Chief Fiscal Officer of the State may direct the State Treasury to establish funds, fund accounts, or accounts on the books of the various fiscal officers of the state for the purpose of handling and disbursing these federal funds.

(b) Any such federal funds shall be handled only in accordance with the purpose for which the funds were granted to, or paid over to, the state or any agency thereof. All such federal funds are subject to the procedures prescribed by the Chief Fiscal Officer of the State for the disbursement of funds.

19-4-1708. Federal funds for vocational schools.

Reimbursements of federal funds to the Division of Career and Technical Education Fund Account shall be construed to be income of the fiscal year in which the reimbursements were received.

Subchapter 18 — Federal Grants and Aids

19-4-1801. Submission of requests.

(a) Requests for federal funds for grants, aids, reimbursement, and direct or indirect cost reimbursement plans, other than research grants, originated by a state agency other than a state institution of higher education shall be submitted to the Department of Finance and Administration before their submission to the granting source.

(b) Excepting the provisions of § 19-4-1807, the remainder of this subchapter does not apply to state institutions of higher education.

19-4-1802. Preliminary or informal proposals.

(a) Preliminary or informal proposals that do not commit personnel, space, facilities, or state funds may be submitted directly to the granting source.

(b) However, when the grant requested, if approved, would result in the commitment of state personnel, space, facilities, equipment, or funds, or

the program to be proposed by the state agency with the resources from the federal grant has not received specific legislative authorization through an appropriation or specific enabling legislation, the requesting agency shall notify, in writing, the Secretary of the Department of Finance and Administration that the preliminary or informal proposal is being made and shall briefly describe it.

19-4-1803. Evaluation report.

Each request submitted to the Department of Finance and Administration shall be accompanied with an evaluation report prepared by the state agency that includes without limitation the following information:

(1) A description of the purpose of the program;

(2) An explanation of the relationship of the program or plan to the agency's total program and why the program is needed;

(3) Its priority in the total program;

(4) A statement whether similar programs are being conducted, if known, or could be conducted in or by other agencies;

(5) An explanation of the effects of this program and the state's obligation, if any, to continue the program, and the level of continuance, if federal funds are curtailed;

(6) A statement of how the agency's programs and objectives would be affected if the request is not approved; and

(7) The amount of overhead payment anticipated from federal funds, and its adequacy, to reimburse the agency and central state services for actual indirect costs reimbursements.

19-4-1804. Receipt of funds.

(a) When federal funds, grants, aids, or reimbursements, including unsolicited funds, are received by a state agency, the Department of Finance and Administration shall be notified on forms to be prescribed by the Secretary of the Department of Finance and Administration.

(b) The department shall prescribe procedures for quarterly reporting information relative to grants, aids, reimbursement, and direct or indirect cost reimbursement plans and research grants and aids for the institutions of higher education.

19-4-1805. Research grants.

The Department of Finance and Administration shall prescribe procedures for reporting information relative to federal research grants and aids for the colleges and universities.

19-4-1806. Letters of credit — Definitions.

(a) As used in this subchapter:

(1) "Checks-paid letter of credit" means a system that requires state warrants to be issued without federal moneys on deposit in the State Treasury. The federal share of the warrants only become available to the Treasurer of State on the day the warrants are presented for redemption. A receipt is processed and credited to the proper fund before the warrants are redeemed;

(2) "Delay-of-drawdown letter of credit" means a system that requires the Auditor of State to issue warrants without federal moneys on deposit in the State Treasury for specific programs primarily financed by federal moneys. Moneys are drawn upon the letter of credit and deposited with the Treasurer of State based on an agreement with the United States Government establishing warrant redemption patterns. Deposits are made each day based on estimates of the amount of warrants to be redeemed each day. If warrants are presented for redemption on a given day in excess of the amount deposited into the State Treasury, an additional amount of moneys may be requested on a letter of credit and deposited with the Treasurer of State to enable proper warrant redemption and to prevent deficit spending; and

(3) "Federal letter of credit" means an instrument certified by an authorized official of a grantor agency which authorizes a grantee to draw funds needed for immediate disbursement in accordance with Treasury Circular 1075.

(b)(1) Upon approval of the Chief Fiscal Officer of the State and under procedures prescribed by the Chief Fiscal Officer of the State, letters of credit, either individually or under a single, unified, checks-paid, or delay-of-drawdown system may be included and accounted for on the books of record of the Auditor of State, the Chief Fiscal Officer of the State, and the applicable state agency as deferred federal revenues to be treated as an asset comparable to "cash on hand". In connection therewith, the Chief Fiscal Officer of the State may direct the creation and establishment of a revolving

paying account on the books of records of the applicable state's accounting records. Furthermore, upon implementation of a checks-paid or delay-of-drawdown system:

(A) The affected agency may issue vouchers;

(B) The Department of Finance and Administration may approve vouchers for payment; and

(C) The Auditor of State may issue warrants for federal programs without regard to federal fund or paying account balances on deposit in the State Treasury.

(2)(A) The Treasurer of State shall not redeem any warrants without sufficient fund balances on deposit equal to the total amount of warrants presented for redemption.

(B) In no event shall the implementation of a checks-paid or delay-of-drawdown letter of credit system be construed as deficit spending.

(C) The Chief Fiscal Officer of the State, after consulting with the Auditor of State and the Treasurer of State, may prescribe rules as necessary to implement a checks-paid or delay-of-drawdown letter of credit system.

(3) An agency shall not implement a checks-paid or delay-of-drawdown letter of credit system except upon approval of the Chief Fiscal Officer of the State and upon advice of the Legislative Council.

19-4-1807. Quarterly reports.

(a)(1) The Secretary of the Department of Finance and Administration shall file quarterly reports with the Legislative Council itemizing and summarizing all contracts or agreements entered into by the Governor with the United States Government, or any agencies or instrumentalities of the federal government, whereby the State of Arkansas is to participate in any program involving the expenditure of federal funds.

(2) The quarterly reports shall be filed, whether or not state funds are obligated in connection therewith, with respect to new federal programs or expansions of existing federal programs that were not in existence or that were not implemented by state participation, at the time of the adjournment of the regular session of the General Assembly and entered into before the convening of the next regular session of the General

Assembly.

(b) With respect to each contract or agreement, the report shall list:

(1) A brief statement of the purposes of the contract or agreement;

(2) The amount of federal funds to be expended under the contract or agreement;

(3) The amount of any state matching funds required in connection with the program, if any, related to the contract or agreement;

(4) The name of the agency that will administer the program, if any, related to the contract or agreement; and

(5) Any additional information that will enable the members of the Legislative Council to determine the nature and purposes of the contract or agreement.

19-4-1808. Review and continuance of programs.

(a)(1) The Legislative Council shall review the quarterly reports filed by the Secretary of the Department of Finance and Administration as required in this subchapter.

(2) The Legislative Council shall submit findings and recommendations to each succeeding regular session of the General Assembly for enabling legislation to implement, restrict, or prohibit the state's participation in any such new federal program or expanded federal program that was implemented by contract or agreement entered into by the Governor subsequent to the adjournment of the preceding session of the General Assembly.

(b)(1) If the next regular session of the General Assembly fails to prohibit or restrict the state's participation in any new or expanded program implemented by contract or agreement signed by the Governor with the United States Government during the interim since the immediately preceding regular session of the General Assembly, then the state may continue to participate in the federal program.

(2)(A) However, if the General Assembly restricts or prohibits the state's participation in any new or expanded federal program implemented by contract or agreement subsequent to the last regular session, then it is unlawful for the state to continue to participate in or to expend any state funds in connection with any such program.

(B) All contracts or agreements entered into by the Governor or any agency of the state acting under authority of the Governor are void and the state's participation therein ceases upon the adjournment of the General Assembly, or at such later date if a later date for the termination of the state's participation therein has been prescribed by law.

Subchapter 19 — Losses and Recoveries

19-4-1901. Notice and proof of loss.

The Chief Fiscal Officer of the State shall give notice and make proof of loss to, and demand payment of, the surety of any bond executed by any state officer or employee in which the audit report by the Legislative Joint Auditing Committee of the records and accounts shows that the officer or employee and his or her surety may in any way be liable.

19-4-1902. Payment of loss.

(a) Within a reasonable time after the Chief Fiscal Officer of the State has given notice and made proof of loss and demand for payment as prescribed in this subchapter, the surety shall make payment to the Chief Fiscal Officer of the State of the amount so found to be due. The Chief Fiscal Officer of the State shall forthwith transmit the amounts so received to the Treasurer of State with instructions to credit it to the fund, fund accounts, or accounts entitled to the funds.

(b) If the amounts so recovered are funds that are not required by law to be deposited into the State Treasury, then the funds shall be transmitted by the Chief Fiscal Officer of the State to the agency to which the recovered funds belong, with instructions to credit it to the accounts entitled to the funds.

19-4-1903. Legal action.

If a surety fails or refuses to pay over the amounts so found to be due, the Chief Fiscal Officer of the State shall give notice of the failure or refusal to the Attorney General. The Attorney General shall immediately take the legal action that is necessary to collect the amount so found to be due from the officer or employee and his or her surety.

19-4-1904. Auditor's testimony.

(a) In all criminal or civil actions brought as the result of the findings set forth in an audit report, the auditors making the audit shall give testimony upon request of the proper officers of the court and otherwise make their services available in the prosecution of any action.

(b) An auditor is not entitled to witness fees for giving testimony.

Subchapter 20 — State-Funded Expenses of Constitutional Officers

19-4-2001. Definition.

As used in this subchapter, "constitutional officers" means the Governor, the Lieutenant Governor, the Attorney General, the Secretary of State, the Treasurer of State, the Auditor of State, and the Commissioner of State Lands.

19-4-2002. Documentation required.

(a) For all expenditures exceeding twenty-five dollars ($25.00), all constitutional officers and their employees shall file with their disbursing officers the following documents to substantiate expenditures for transportation, lodging, food, or any other expense to be paid from the maintenance and operations moneys appropriated by the General Assembly:

(1) A copy of the vendor's invoice or receipt;

(2) A statement of the purpose of the expenditure; and

(3) The names of all persons for which the expenditure was incurred.

(b) For all expenditures not exceeding twenty-five dollars ($25.00), all constitutional officers and their employees shall file with their disbursing officers the following documents to substantiate expenditures for transportation, lodging, food, or any other expense to be paid from the maintenance and operations moneys appropriated by the General Assembly:

(1) A statement of the purpose of the expenditure;

(2) The amount of the expense;

(3) The date, place, and nature of the expense; and

(4) The business relationship of any persons for whom the expenditure was incurred, including the person's identity, title, or other information sufficient to establish the a relationship.

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

(3) "State agency" means:

(A) Every board, commission, department, division, or office of state government whether executive, legislative, or judicial; and

(B) All state-supported postsecondary educational institutions, including without limitation colleges and universities, vocational and technical schools, and community colleges.

(b)(1) A state agency shall not award any discretionary grant before review by the Legislative Council between legislative sessions or by the Joint Budget Committee during legislative sessions.

(2) However, if a state agency determines that an emergency exists requiring the discretionary grant to be awarded before review, it may award the discretionary grant before the review by the Legislative Council or the Joint Budget Committee and shall immediately notify the Legislative Council between legislative sessions or the Joint Budget Committee during legislative sessions, as to the facts constituting the emergency.

(c) Grants exempt from review include:

(1) Grants for which the total consideration is less than or equal to ten thousand dollars ($10,000);

(2) Nondiscretionary grants as determined by the agency;

(3) Grants to another governmental entity such as a state agency, public educational institution, federal governmental entity, or body of a local government;

(4) Disaster relief grants;

(5) Grants identified as not requiring review by the Legislative Council between legislative sessions or the Joint Budget Committee during legislative sessions;

(6) Grants containing confidential information, the disclosure of which is determined by the agency to constitute a violation of other provisions of law regarding disclosure; and

(7) Any scholarship or financial assistance award to, or on behalf of, a postsecondary student.

19-4-2102. Review of nonexempt grants.

The Legislative Council between legislative sessions and the Joint Budget Committee during legislative sessions shall review all nonexempt discretionary grants by state agencies and notify the agencies as to the

results of the review. The Legislative Council or the Joint Budget Committee shall notify agencies of any other grants identified as not requiring review.

CHAPTER 5
DEPOSITORIES FOR PUBLIC FUNDS

Subchapter 1. General Provisions
Subchapter 2. Security for Deposits

Subchapter 1 — General Provisions

19-5-101. Definitions.

As used in this subchapter:

(1) "Bank" or "banking institution" means a state bank, national bank, savings bank, savings association, thrift, or other financial institution authorized to do business and having a main office or branch office in this state, which is insured by the Federal Deposit Insurance Corporation; and

(2) "Public funds" or "funds" means funds handled by treasurers, collectors, commissioners, sheriffs, clerks, and receivers appointed under § 14-62-104.

19-5-102. Legal funds.

The legal funds referred to in §§ 19-5-101 — 19-5-107 as being eligible for deposit in depositories shall include funds that may come into the hands of treasurers, collectors, commissioners, sheriffs, clerks, and receivers by reason of their official capacities as commissioners.

19-5-103. Penalties.

(a)(1) It is a felony, punishable by fine of not more than one thousand dollars ($1,000) or one (1) year in prison, or both, for an officer of a bank to accept for deposit more public funds in the aggregate than that amount designated by this section, § 19-5-101, § 19-5-102, and §§ 19-5-104 — 19-5-107.

(b)(1) More than twenty-five percent (25%) of the total general deposits of public funds shall not be accepted until they have been reduced

to the proper proportion of general deposits.

(2) When necessary, the depository boards may order a reduction of deposits in a bank so as to conform to the twenty-five percent (25%) limitation provided for in this section.

(3) A public officer knowingly depositing public funds in excess of this amount shall likewise be guilty of a felony and subject to the same penalty as prescribed in this section and shall be removed from office.

(c) The penalties provided in this section also shall apply in the event of a depository bank's investing any deposits in excess of the twenty-five percent (25%) limitation in any manner other than that provided in § 19-5-105(b) permitting a deposit in excess of the twenty-five percent (25%) limitation.

19-5-104. Investment of public funds.

(a) Except as provided in subsection (b) of this section, all public funds shall be deposited into banks located in the state.

(b) A school district may seek a hardship waiver from the Legislative Joint Auditing Committee from this section and deposit public funds into an out-of-state bank if:

(1) The school district is designated as an isolated school district under §§ 6-20-601 and 6-20-602;

(2) The school district lies on the borders of the state line;

(3) The nearest Arkansas bank is located at least eighteen (18) miles from the administrative offices of the school district;

(4) The administrative offices of the school district are located within six (6) miles from an out-of-state bank; and

(5) The out-of-state bank meets all other requirements concerning collateralization of state funds.

19-5-105. Annual list of eligible banks.

(a) Annually, on December 1, the Bank Commissioner shall furnish to the governing board of each city, or town officer, and the county board of each county, and also any officer of any improvement district or any other political subdivision, having the supervision of public funds or funds belonging to the state or any political subdivision a list of all the banks or banking institutions doing business in this state that are members of the

Federal Deposit Insurance Corporation. The commissioner shall recommend the maximum amount of deposit of public funds each bank shall be allowed to receive. None of these public funds shall be deposited into any bank other than those contained in the list.

(b)(1) The commissioner shall not recommend and a bank shall not accept for deposit more public funds than twenty-five percent (25%) of the total of its general deposits, exclusive of the public funds.

(2) Public money in excess of the amount allowed in this section, if approved by the governing board, may be deposited into an authorized bank if the excess deposit is carried in cash, United States Government bonds, Housing and Home Finance Agency bonds, or demand loans on cotton of the kind commonly known as "Commodity Credit Corporation loans", being only such loans as are guaranteed by the United States.

19-5-106. Depository boards.

(a)(1)(A) The quorum court of each county shall by ordinance establish a county depository board.

(B) The county depository board shall be composed of the county judge, the county treasurer and county collector, or the sheriff when acting as ex officio tax collector, or those officials performing the duties of the above officials when an elective county office has been changed in accordance with Arkansas Constitution, Amendment 55.

(2) The board shall designate depositories and supervise the depositing of all county funds and all other public funds held by the county treasurer, except funds of a school district, and also shall designate depositories and supervise the depositing of all funds collected and held by the county collector.

(3) The board may also require county officials to settle with the county treasurer more frequently than required by Arkansas law.

(b)(1) Except as provided in subdivision (b)(2) of this section, the following persons shall constitute a three-member board to designate depositories and supervise the depositing of municipal funds:

(A) A mayor;

(B) A city clerk or recorder or clerk-treasurer or recorder-treasurer; and

(C) A city council member selected by the city council.

(2) Although the board shall not total more than three (3) members, the city council may replace one (1) of the three (3) board members listed in subdivision (b)(1) of this section with the city finance officer or other official.

(3) A majority of the board members shall be necessary to conduct business and to constitute a quorum.

(c) The commissioners of road, drainage, levee, and other improvement districts shall designate depositories and supervise the depositing of funds of their respective districts.

(d)(1) The board of directors of a school district shall constitute a board to designate depositories and supervise the depositing of school district funds.

(2) All school district funds, whether held by the treasurer of the school district or by the county treasurer, shall be deposited as designated by the board of directors.

(e) A receiver appointed under § 14-62-104 shall be a designated depository and supervise the depositing of funds collected under § 14-62-101 et seq.

19-5-107. Depository agreements.

(a)(1) After the receipt from the Bank Commissioner of the list of banks or banking institutions eligible for public deposits, the depository boards shall:

(A) Designate the banks or banking institutions into which the funds shall be deposited; and

(B) With each bank or banking institution designated under subdivision (a)(1)(A) of this section, enter into a depository agreement and any supplemental agreements under subsection (c) of this section needed to perfect security of public deposits not fully insured directly by the United States.

(2) The depository boards may at any time enter into depository agreements with any new bank chartered if the bank is certified by the commissioner as being eligible as a depository of public funds under the laws of this state.

(3)(A) All depository agreements and supplemental agreements required for creating an enforceable perfected security in collateral for

deposits of public funds shall continue in full force until the bank or banking institution receives written notice of revocation by the depository board or until there is a change of membership on the depository board as prescribed in this subsection.

(B) Depository agreements and supplemental agreements required to create an enforceable perfected security in collateral for deposits shall be updated at the time a new treasurer takes office.

(C) Except as provided under subdivision (a)(3)(A) of this section, agreements required to be signed by all members of a depository board shall be changed at the time of membership change on the depository board.

(b)(1) The treasurers or other public officials or other persons having custody of public funds shall deposit those public funds into the designated depositories.

(2) The depositing of public funds as required under subdivision (b)(1) of this section into the designated depositories shall relieve the public officer or other person and his or her sureties from any liability for the loss of the public funds by reason of the default or insolvency of any depository.

(3) County officials shall make timely deposit and investment of public funds to earn optimum interest consistent with the prudent investor rule defined by Arkansas law.

(c)(1) County and municipal officials shall:

(A) Require security for the deposit of public funds in the form of a demand deposit, a savings deposit, or a time deposit for amounts not fully insured directly by the United States; and

(B) Enter into supplemental agreements with each depository banking institution that satisfy the requirements of this subsection.

(2)(A) The Treasurer of State shall make available upon request to any county or municipality fillable depository agreement forms designed for county and municipal governments and any necessary supplemental agreement forms required for collateralizing public funds.

(B) The forms shall include language necessary to create an enforceable perfected security interest in all collateral for deposits.

(3) Depository boards and banks or banking institutions giving

or holding collateral for deposits of public funds shall comply with federal laws and regulations so that the governmental entity or political subdivision depositing public funds holds a valid claim in deposits and collateral given for those deposits against, and prevent avoidance of such a claim by, the Federal Deposit Insurance Corporation or its successor or any similar deposit insurance agency acting as receiver, conservator, or in any other capacity.

(4) All security required under this subsection shall meet the requirements of an eligible security under § 19-5-203 and § 23-47-203(c).

(5) Public officials may require as a condition for placing deposits or keeping funds on deposit such financial data as they need to make an informed decision, including without limitation quarterly financial statements, quarterly profit and loss statements, and tangible net worth or capital-to-assets ratios.

19-5-108. Mortgages and securities as security.

When securities must be furnished by a depository in the State of Arkansas as security for the deposit of funds, or when securities must be deposited with an official of the State of Arkansas under a statute of this state, mortgages insured and debentures issued by the Federal Housing Administration and obligations of national mortgage associations shall be considered eligible securities for those purposes.

19-5-109. Housing agency bonds as security.

All banks that are by law authorized to accept deposits of public funds may tender, and all officers or boards whose duty it is to award contracts for the deposit of public funds and all officers or boards whose duty it is to accept security for the deposit of public funds may accept bonds of the Housing and Home Finance Agency as security for deposits of public funds at the face value of the bonds.

19-5-110. Farm credit obligations as security.

It is lawful for a person, firm, or corporation required by law to maintain a cash deposit as public security, or in lieu of a cash deposit to file a bond of approved security in favor of the State of Arkansas, to deposit with the officer of the State of Arkansas designated as the custodian of funds, in lieu of a cash deposit, an amount of notes, bonds, debentures,

or other similar obligations issued by the Federal Land Banks, Federal Intermediate Credit Banks, or Banks for Cooperatives or any other obligations issued under the Farm Credit Act of 1971, and acts amendatory thereto, which at their market value equal or are in excess of the amount required as a cash deposit.

19-5-111. Additional authority for investment of public funds — Definition.

(a) Notwithstanding any law to the contrary, including §§ 19-5-103 and 19-5-105, the state or local government and any trusts established under the Local Government Joint Investment Trust Act, § 14-79-101 et seq., may invest public funds through an eligible bank under § 19-5-105 if:

(1) The bank arranges for the deposit of all or a portion of the funds into one (1) or more banks or savings and loan associations located inside the United States for the account of the state or local government or trust;

(2) Each deposit is insured by the Federal Deposit Insurance Corporation for one hundred percent (100%) of the principal and accrued interest of the deposit;

(3) The bank acts as custodian of the deposits made for the account of the state or local government or trust and, as custodian, is charged with the care of the deposits and their segregation in appropriate records reflecting the total principal amount of the deposits for each custodial account; and

(4) On the date the funds are deposited according to subdivision (a)(1) of this section, the bank receives an amount of deposits from customers of other financial institutions located inside the United States that is equal to or greater than the amount of the funds invested by the state or local government or trust.

(b) For any investment of public funds under this section, the provisions of §§ 19-5-106 and 19-5-107 apply only to the eligible bank selected under subsection (a) of this section.

(c) Additional security shall not be required for investments of public funds under this section.

(d) As used in this section, “local government” means a city, county, town, or other political subdivision of the State of Arkansas, including, but

not limited to, any:

(1) School district or community college district;

(2) Improvement or other taxing or assessing district;

(3) Department, instrumentality, or agency of a city, county, or other political subdivision, including without limitation any local fire and police pension or relief funds; and

(4) Local government association as defined in § 14-79-103.

Subchapter 2 — Security for Deposits

19-5-201. Legislative intent and construction.

The law specifying what securities may be accepted as security for the deposit of public funds of the State of Arkansas or any political subdivision of the state is inadequate in that it is unduly restrictive on the types of securities that may be accepted. The types of securities that may be accepted as security for deposits of public funds is in need of being expanded, and this subchapter is supplementary to and does not repeal any existing law that specifies certain securities that may be accepted as security for deposit of public funds. To that end, this subchapter is declared to be remedial and shall be liberally construed.

19-5-202. Definition.

As used in this subchapter, "public funds" means without limitation funds of:

(1) The State of Arkansas, or any agency, department, board, commission, or instrumentality thereof;

(2) A political subdivision of the State of Arkansas, or an agency thereof;

(3) A school board or school district;

(4) An improvement or other taxing or assessing district;

(5) A public corporation or authority created by or recognized by the State of Arkansas, or any political subdivision thereof; and

(6) A receiver appointed under § 14-62-104.

19-5-203. Eligible security for deposits.

(a) When a depository in the State of Arkansas must furnish security

for the deposit of any public funds pursuant to Arkansas law or when security must be granted to a public official in connection with public funds, the following shall be considered as eligible security for such purposes and subject to the depositor's discretion regarding the suitability of the collateral:

(1) The pledge or escrow of the assets of the bank consisting of an investment in which a state bank may invest under § 23-47-401;

(2) A surety bond issued by an insurance company licensed under the laws of the State of Arkansas and either:

(A) Rated "A" or better by any one (1) or more of the following rating agencies:

(i) A.M. Best Company, Inc.;

(ii) Standard & Poor's Insurance Rating Service;

(iii) Moody's Investors Service, Inc.; or

(iv) Duff & Phelps Credit Rating Co.; or

(B) Listed on the then-current United States Department of the Treasury Listing of Approved Sureties;

(3) Private deposit insurance issued by an insurance company licensed under the laws of the State of Arkansas and either:

(A) Rated "A" or better by any one (1) or more of the following rating agencies:

(i) A.M. Best Company, Inc.;

(ii) Standard & Poor's Insurance Rating Service;

(iii) Moody's Investors Service, Inc.; or

(iv) Duff & Phelps Credit Rating Co.; or

(B) Listed on the then-current United States Department of the Treasury Listing of Approved Sureties; or

(4) An irrevocable standby letter of credit issued by a Federal Home Loan Bank.

(b) The aggregate market value of assets pledged or escrowed or the face amount of the surety bond, private deposit insurance, or letter of credit securing the deposit of funds by a single depositor shall be equal to or exceed the amount of the deposit to be secured.

(c) Notwithstanding subdivision (a)(1) of this section, if a political subdivision, school district, improvement district, or other issuer has defaulted on any bonds or other obligations within the preceding period of

ten (10) years, bonds or other obligations of the defaulting political subdivision, school district, improvement district, or other issuer are not eligible as security for the deposit of public funds or as security required to be deposited in connection with public funds.

CHAPTER 6
PUBLIC OBLIGATIONS

Subchapter 1. General Provisions
Subchapter 2. State Obligations
Subchapter 3. Refunding Bonds
Subchapter 4. Registered Public Obligations Act of Arkansas
Subchapter 5. Revenue Bond Reporting Act
Subchapter 6. Revenue Bond Act of 1987
Subchapter 7. Taxable Bond Act of 1989

Subchapter 1 — General Provisions

19-6-101. Form of bonds that may be issued — Definitions.

(a) When existing Arkansas law authorizes a board, commission, or agency of the State of Arkansas or a county, municipality, or improvement district to issue bonds or coupon bonds, the authorization shall be deemed to, and is extended to, include the authority to issue bonds that may be either coupon bonds, payable to bearer, or may be registrable as to principal only with interest coupons, or may be registrable as to both principal and interest without coupons. These bonds may be exchanged for bonds of another denomination, which bonds of another denomination may in turn be either coupon bonds payable to bearer or coupon bonds registrable as to principal only, or bonds registrable as to both principal and interest without coupons, as the governing body determines.

(b) As used in this section:

(1) "Improvement district" means all improvement districts, drainage districts, levee districts, and other special districts formed for the purpose of constructing or maintaining a local improvement to be financed by the assessment of benefits upon the real property in the district and the levy of a tax on those assessed benefits;

(2) “Municipality” means a city of the first class, a city of the second class, or an incorporated town; and

(3) “Governing body” means the board of commissioners, city council, county court, board of trustees, or other person or body given the power and duty by the state under existing law to issue bonds by the state, a board, commission, or agency of the state, or a county, municipality, or improvement district.

(c) This section shall be liberally construed, and the authority set forth in this section is cumulative and supplemental to all other provisions of law authorizing the issuance of registrable bonds.

19-6-102. Replacement of lost, destroyed, or stolen bonds.

(a) In cases in which a valid bond, note, interest coupon, or evidence of indebtedness, that is, an “instrument”, issued by the State of Arkansas, or any of its departments, agencies, or political subdivisions, including without limitation school districts and improvement districts of all kinds, becomes lost, mislaid, destroyed, or stolen, the body that issued the instrument, or its successor, shall issue and deliver to the one owning the right, title, and interest to and in the instrument a replacement instrument, but only on the filing with the body of:

(1) An affidavit reciting ownership of all right, title, or interest in and to the lost, mislaid, destroyed, or stolen instrument and giving its name, the name of the board, commission, or body that issued it, the date of maturity, the denomination and number and that of a lost, mislaid, destroyed, or stolen interest coupon appertaining thereto, and briefly describing the circumstance of the loss, mislaying, destruction, or theft; and

(2) A bond in double the face amount of the replacement, including any interest coupons affixed thereto, with a surety company licensed to do business in Arkansas as surety thereon, conditioned that if the principal, the heirs, legal representatives, successors, or assigns of the principal, or any of them, in case the instrument so lost, mislaid, destroyed, or stolen is found or comes into the hands or power of any of them, or into the hands, custody, or power of any other person, shall deliver, or cause it to be delivered to the obligor for cancellation, and also shall at all times indemnify and save harmless the obligor from and

against all loss, claims, actions, suits, damages, charges, or expenses of any nature and character by reason of the lost, mislaid, destroyed, or stolen instrument, or the issuance of a replacement in lieu thereof, or the paying or crediting as prescribed of the face amount of the lost, mislaid, destroyed, or stolen instrument without the surrender thereof, then the obligation shall be void, otherwise to remain in full force and effect.

(b) This section does not:

(1) Limit or abridge any defense that the obligor may have against the lost, mislaid, destroyed, or stolen instrument; or

(2) Waive any provision of any statute of limitations.

19-6-103. Paying agents to remit funds after three years.

(a) Paying agents with whom the state or any political subdivision of the state has deposited or shall deposit funds for the payment of obligations of the state or of any political subdivision of the state shall remit to the Treasurer of State all the funds that have been in the paying agents' hands for a period of three (3) years.

(b) The Treasurer of State shall invest these funds from paying agents in government or state bonds that the Treasurer of State shall hold in trust for the holders of the obligations for the payment of which the funds were deposited with the paying agents.

(c) On the presentation to the Treasurer of State of any valid obligation that was payable out of any fund remitted to the Treasurer of State by a paying agent, the Treasurer of State shall sell the bonds purchased with the fund and redeem the obligation.

19-6-104. Bonds held five years.

After the Treasurer of State has purchased and then held a government bond or state bond for a period of five (5) years, the Treasurer of State shall:

(1) Liquidate the bond and place the proceeds to the credit of the General Revenue Fund Account; or

(2) Remit the bond to the political subdivision of the state to which the bond belongs.

19-6-105. Pay until barred.

Every bond issued by the state or by a political subdivision of the state shall be paid by the state or by the political subdivision unless it is barred by the statute of limitations.

Subchapter 2 — State Obligations

19-6-201. Authority of State Board of Finance.

The State Board of Finance may:

(1) Take such action as may be provided by law for the issuance of refunding bonds for outstanding obligations to the State of Arkansas;

(2) Issue replacement bonds, either typewritten, printed, or lithographed, for lost, mislaid, destroyed, or stolen bonds of the State of Arkansas in the manner and within the limitations provided by § 19-6-102;

(3) Take such action as may appear necessary or desirable to collect funds that may have been in the hands of paying agents for a period of three (3) years or longer and to invest any funds so collected in the manner provided by §§ 19-6-103 — 19-6-105; and

(4) Take such other action, not inconsistent with law, as may appear necessary or desirable to:

(A) Retire the direct bonded debt of the State of Arkansas in an orderly manner;

(B) Safeguard state funds pledged for the payment of the obligations; and

(C) Maintain and improve the credit standing of the State of Arkansas.

19-6-202. Authorized paying agent.

(a) The agent of the state for payment of the maturing principal of, and interest on, its direct obligation bonds, irrespective of any other legislation on the subject, is for all obligations a bank located in this state, to be designated by the State Board of Finance.

(b) Fees of the paying agent are as follows:

(1) For payment of interest, one-fourth of one percent (¼ of 1%) of the total amount paid; and

(2) For payment of principal of each maturity, the aggregate thereof to be calculated as follows, with each paying agent to receive its

respective proportion based upon the amount paid by it:

(A) One-tenth of one percent (1/10 of 1%) on the first one hundred thousand dollars ($100,000) paid;

(B) One-twentieth of one percent (1/20 of 1%) on the next nine hundred thousand dollars ($900,000) paid;

(C) One-thirtieth of one percent (1/30 of 1%) on the next four million dollars ($4,000,000) paid; and

(D) One-fortieth of one percent (1/40 of 1%) on all amounts paid in excess of five million dollars ($5,000,000).

(c) If an agent so designated refuses to accept the paying agency or of an agent accepting this designation thereafter resigns or fails to furnish service satisfactory to the board, the board shall name another commercial bank as the successor paying agent.

(d) A paying agent shall render monthly statements of account to, and in such form as shall be required by the Treasurer of State. With those monthly statements, the paying agent shall transmit all paid and cancelled obligations.

19-6-203. Registration.

The Treasurer of State is the official registrar of all direct obligation bonds of this state. Upon the application of the holder of any such obligations, the Treasurer of State shall register them as to principal only or as to both principal and interest. Thereafter, upon similar application, he or she shall discharge the obligations from registration.

19-6-204. Retirement of bonds before maturity.

(a) Whenever appropriations and funds are available, the State Board of Finance may purchase direct obligations of this state in advance of maturity for the purpose of retirement under the procedure set forth in this subchapter.

(b) All obligations purchased as prescribed, and the unmatured interest coupons attached to those obligations, shall be cancelled by perforation.

19-6-205. Cancelled obligations.

The Treasurer of State shall classify and record all paid and cancelled

state obligations and, from time to time as directed by the State Board of Finance, destroy these obligations by burning them to ashes after preparing for execution certificates of incineration, which shall set forth a detailed description thereof.

Subchapter 3 — Refunding Bonds

19-6-301. Delivery and deposit in trust — Definition.

(a) When refunding bonds are issued by the state, a county, municipality, school district, state-supported educational institution, improvement district of any kind, agency, or political subdivision, which may be called “issuing authorities”, the bonds may either be sold or delivered in exchange for the outstanding obligations being refunded. If sold, the proceeds may be either applied to the payment of the outstanding obligations or deposited into trust for the retirement of the obligations, either at maturity or upon any authorized redemption date as specified in the ordinance, resolution, order, or other instrument authorizing the issuance of the refunding bonds.

(b) The bonds may be issued in the principal amount necessary to pay the principal of, interest on, redemption premiums, if any, trustee’s and paying agent’s fees, and charges in connection with the obligations being refunded to maturity or to the redemption date specified in the instrument authorizing the issuance of the refunding bonds, these items to be called “total debt service requirements of the obligations being refunded”, to pay expenses incidental thereto, and to pay the expenses of authorizing and issuing the refunding bonds.

(c)(1)(A) The bonds may be delivered when moneys or investment securities or a combination thereof, sufficient to meet, as and when due, the total debt service requirements of the obligations being refunded, have been irrevocably deposited into trust with a bank or trust company organized under the laws of the United States or any state of the United States.

(B) The bank or trust company shall be qualified to receive trust funds pursuant to a trust agreement requiring the bank or trust company to apply the trust funds to the payment, as and when due, of total debt service requirements of the obligations being refunded. If the bank or trust company is not the paying agent for the obligations being refunded, the

trust agreement shall require it to pay over trust moneys to the paying agent as and when required for the timely meeting of total debt service requirements of the obligations being refunded.

(2)(A) As used in this section, "investment securities" means direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the United States, maturing and bearing interest at such times and in such amounts as, together with uninvested trust moneys, will make available sufficient moneys to meet, as and when due, total debt service requirements of the obligations being refunded.

(B) In determining the sufficiency of the trust deposit, the principal amount of the investment securities and the interest to be earned on them shall be considered.

19-6-302. Sale when old bonds cannot be presented.

(a)(1) Where refunding bonds are to be issued by a municipality, county, state-supported educational institution, or improvement district of any kind and the bonds to be refunded cannot be presented for payment and cancellation simultaneously with the payment and delivery of the refunding bonds, the refunding bonds may be delivered when the purchase money is deposited into trust.

(2) The purchase money may be deposited for the purpose of payment of the principal of and interest on the bonds to be refunded with an insured bank or trust company in the state that is otherwise fully qualified to receive trust funds if the bonds to be refunded have fixed maturity dates of not to exceed twelve (12) months from the date of the payment and delivery of the refunding bonds or if the bonds are redeemable before maturity and have been duly called for payment.

(b) If the bank or trust company is not the paying agent for the bonds to be refunded, the purchase money shall be paid over by it to the paying agent three (3) days before the maturity of the bonds or three (3) days before the date for which the bonds have been called for payment.

19-6-303. Private sale to United States.

Refunding bonds authorized to be sold by the State of Arkansas or an agency or instrumentality of the state at public sale, notwithstanding the provision for public sale, nevertheless may be sold to the United States or

an agency of the United States at private sale without public advertisement if the bonds are sold at not less than par and at a rate of interest not greater than the rate borne by the bonds to be refunded.

19-6-304. Interest rate.

(a) A county, school district, improvement district, or municipality may refund bonds issued under statutory or constitutional authority at any time outstanding by the issuance of bonds bearing a rate or rates of interest that the issuer deems to be just and fair, whether or not greater than the rate or rates of interest borne by the bonds being refunded.

(b) Bonds shall not be refunded at a rate of interest greater than the maximum rate set by the statutes or constitutional provision under which the bonds were originally authorized.

19-6-305. Conversion privilege.

The refunding bonds may be issued with the privilege of conversion to a lower rate or rates of interest if the issuer receives no less and pays no more than the issuer would receive or pay if the bonds were not converted. The conversion is subject to the approval of the issuer.

19-6-306. Inclusion of redemption premiums in principal.

The State of Arkansas, an agency of the state, a county, a municipality, a school district, an improvement district of any kind, or any other political subdivision of the state, which may be called “issuing authorities”, may include in the principal of refunding bonds the amount of redemption premiums required to be paid to accomplish the redemption of the bonds being refunded.

Subchapter 4 — Registered Public Obligations Act of Arkansas

19-6-401. Title.

This subchapter shall be known and may be cited as the “Registered Public Obligations Act of Arkansas”.

19-6-402. Purpose.

(a) The Internal Revenue Code, 26 U.S.C. § 1 et seq., provides that

interest with respect to certain obligations may not be exempt from federal income taxation unless the obligations are in registered form. It is therefore a matter of state concern that public entities be authorized to provide for the issuance of obligations in such form. It is a purpose of this subchapter to empower all public entities to establish and maintain a system pursuant to which obligations may be issued in registered form within the meaning of the applicable provisions of the Internal Revenue Code, 26 U.S.C. § 1 et seq.

(b) Obligations have traditionally been issued in bearer rather than in registered form, and a change from bearer to registered form may affect the relationships, rights, and duties of issuers of and the persons that deal with obligations and, by such effect, the costs of issuing obligations. Such effects will impact the various issuers and varieties of obligations differently depending upon their legal and financial characteristics, their markets, and their adaptability to recent and prospective technological and organizational developments. It is therefore a matter of state concern that public entities be provided flexibility in the development of such systems and control over system incidents so as to accommodate the different impacts. It is a purpose of this subchapter to empower the establishment, maintenance, and amendment, from time to time, of differing systems of registration of obligations so as to accommodate the differing impacts upon issuers and varieties of obligations. It is further a purpose of this subchapter to authorize systems that will facilitate the prompt and accurate transfer of registered public obligations and develop practices with regard to the registration and transfer of registered public obligations.

19-6-403. Definitions.

As used in this subchapter:

(1) “Authorized officer” means any individual required or permitted, alone or with others, by any provision of law or by the issuing public entity, to execute, on behalf of the public entity, a certificated registered public obligation or a writing relating to an uncertificated registered public obligation;

(2) “Certificated registered public obligation” means a registered public obligation that is represented by an instrument;

(3) “Facsimile seal” means the reproduction by engraving,

imprinting, stamping, or by other means of the seal of the issuer, official, or official body;

(4) "Facsimile signature" means the reproduction by engraving, imprinting, stamping, or by other means of a manual signature;

(5) "Financial intermediary" means a bank, broker, clearing corporation, or other person, or the nominee of any of them, that in the ordinary course of its business maintains registered public obligation accounts for its customers, when so acting;

(6) "Issuer" means a public entity that issues an obligation;

(7) "Obligation" means an agreement of a public entity to pay principal and any interest on the principal, whether in the form of a contract to repay borrowed money, a lease, an installment purchase agreement, or otherwise and includes a share, participation, or other interest in any such agreement;

(8) "Official actions" means the actions by statute, order, ordinance, resolution, contract, or other authorized means by which the issuer provides for issuance of a registered public obligation;

(9) "Official or official body" means the officer or board that is empowered under the laws of one (1) or more states, including this state, to provide for original issuance of an obligation of the issuer by defining the obligation and its terms, conditions, and other incidents, the successor of any such official or official body, and such other person or group of persons as shall be assigned duties of an official or official body with respect to a registered public obligation under applicable law from time to time;

(10)(A) "Public entity" means an entity, department, or agency that is empowered under the laws of one (1) or more states, territories, possessions of the United States, or the District of Columbia, including this state, to issue obligations, any interest with respect to which, under any provision of law, may be provided an exemption from the income tax referred to in the Internal Revenue Code, 26 U.S.C. § 1 et seq.

(B) "Public entity" includes without limitation this state, an entity deriving powers from and acting pursuant to the Arkansas Constitution or a special legislative act, a political subdivision, a municipal corporation, a state university or college, a school or other special district, a joint agreement entity, a public authority, a public

facilities board, a nonprofit corporation, and other organizations;

(11) "Registered public obligation" means an obligation issued by a public entity pursuant to a system of registration;

(12) "System of registration" and its variants means a plan that provides:

(A) With respect to a certificated registered public obligation, that:

(i) The certificated registered public obligation specifies a person entitled to the registered public obligation and the rights it represents; and

(ii) Transfer of the certificated registered public obligation and the rights it represents may be registered upon books maintained for that purpose by or on behalf of the issuer; and

(B) With respect to an uncertificated registered public obligation, that:

(i) Books maintained by or on behalf of the issuer for the purpose of registration of the transfer of a registered public obligation specify a person entitled to the registered public obligation and the rights evidenced thereby; and

(ii) Transfer of the uncertificated registered public obligation and the rights evidenced thereby be registered upon the book; and

(13) "Uncertificated registered public obligation" means a registered public obligation that is not represented by an instrument.

19-6-404. Applicability.

(a) Unless at any time before or at original issuance of a registered public obligation the official or official body of the issuer determines otherwise, this subchapter applies to the registered public obligation, notwithstanding any provision of law to the contrary. When this subchapter is applicable, no contrary provision applies.

(b) This subchapter does not limit or prevent the issuance of obligations in any other form or manner authorized by law.

(c) Unless determined otherwise pursuant to subsection (a) of this section, this subchapter applies with respect to obligations that have been approved by vote, referendum, or hearing that authorizes or permits the

authorization of obligations in bearer and registered form or in bearer form only. These obligations need not be resubmitted for a further vote, referendum, or hearing for the purpose of authorizing or permitting the authorization of registered public obligations pursuant to this subchapter.

19-6-405. Construction.

(a) This subchapter shall be liberally construed to accomplish the intent and purposes of this subchapter and is the sole authority required for the accomplishment of those purposes.

(b) This subchapter shall be construed in conjunction with the Uniform Commercial Code, § 4-1-101 et seq., and the principles of contract law relative to the registration and transfer of obligations.

19-6-406. System of registration.

(a)(1) Each issuer may establish and maintain a system of registration with respect to each obligation that it issues. The system of registration may either be a system pursuant to which:

(A) Only certificated registered public obligations are issued;

(B) Only uncertificated registered public obligations are issued; or

(C) Both certificated registered public obligations and uncertificated registered public obligations are issued.

(2) The issuer may amend, discontinue, and reinstitute any system of registration, from time to time, subject to covenants.

(b) The system of registration shall be established, amended, discontinued, or reinstituted for the issuer by, and shall be maintained for the issuer as provided by, the official or official body.

(c) The system of registration shall be described in the registered public obligation or in the official actions that provide for original issuance of the registered public obligation and in subsequent official actions providing for amendments and other matters from time to time. The description may be by reference to a program of the issuer that is established by the official or official body.

(d)(1) The system of registration shall define the methods by which transfer of the registered public obligation shall be effective with respect

to the issuer and by which payment of principal and any interest shall be made.

(2) The system of registration may:

(A) Permit the issuance of registered public obligations in any denomination to represent several registered public obligations of smaller denominations; and

(B)(i) Provide for:

(a) The form of any certificated registered public obligation or of any writing relating to an uncertificated registered public obligation;

(b) Identifying numbers or other designations;

(c) A sufficient supply of certificates for subsequent transfers;

(d) Record and payment dates;

(e) Varying denominations;

(f) Communications to holders or owners of obligations; and

(g) Accounting, cancelled certificate destruction, registration and release of security interests, and other incidental matters.

(ii) Unless the issuer otherwise provides, the record date for interest payable on the first or fifteenth day of a month shall be the fifteenth day or the last business day of the preceding month, respectively, and for interest payable on other than the first or fifteenth day of a month, shall be the fifteenth calendar day before the interest payment date.

(e) Under a system of registration pursuant to which both certificated registered public obligation and uncertificated registered public obligations are issued, both types of registered public obligations may be regularly issued, or one (1) type may be regularly issued and the other type issued only under described circumstances or to particular described categories of owners. Provision may be made for registration and release of security interest in registered public obligations.

(f) The system of registration may include covenants of the issuer as to amendments, discontinuances, and reinstitutions of the system of registration and the effect of such on the exemption of interest from the

income tax provided for by the Internal Revenue Code, 26 U.S.C. § 1 et seq.

(g) Whenever an issuer issues an uncertificated registered public obligation, the system of registration may provide that a true copy of the official actions of the issuer relating to the uncertificated registered public obligations be maintained by the issuer or by the person, if any, maintaining the system of registration on behalf of the issuer, so long as the uncertificated registered public obligation remains outstanding and unpaid. A copy of these official actions, verified to be such by an authorized officer, are admissible before any court of record, administrative body, or arbitration panel without further authentication.

(h) This subchapter does not preclude a conversion from one of the forms of registered public obligations provided for by this subchapter to a form of obligation not provided for by this subchapter if interest on the obligation so converted will continue to be exempt from the income tax provided for by the Internal Revenue Code, 26 U.S.C. § 1 et seq.

(i) The rights provided by other laws with respect to obligations in forms not provided for by this subchapter, to the extent not inconsistent with this subchapter, shall apply with respect to registered public obligations issued in forms authorized by this subchapter.

19-6-407. Signatures required.

(a)(1) A certificated registered public obligation shall be executed by the issuer by the manual or facsimile signatures of authorized officers.

(2) A signature of an authorized officer may be attested by the manual or facsimile signature of another authorized officer.

(b) In addition to the signatures referred to in subsection (a) of this section, a certificated registered public obligation or any writing relating to an uncertificated registered public obligation may include a certificate signed by the manual or facsimile signature of an authenticating agent, registrar, transfer agent, or the like.

(c) At least one (1) signature of an authorized officer or other person required or permitted to be placed on a certificated registered public obligation shall be a manual signature.

19-6-408. Signature of predecessor in office.

(a) A certificated registered public obligation signed by the

authorized officers at the time of the signing of the certificated registered public obligation remains valid and binding, notwithstanding that before the issuance thereof any of the officers had ceased to fill their respective offices.

(b)(1) An authorized officer empowered to sign any certificated registered public obligation may adopt as and for the signature of the officer the signature of a predecessor in office if the predecessor's signature appears on the certificated registered public obligation.

(2) An authorized officer incurs no liability by adoption of a predecessor's signature that would not be incurred by the authorized officer if the signature were that of the authorized officer.

19-6-409. Seal.

When a seal is required or permitted in the execution of a certificated registered public obligation, an authorized officer may cause the seal to be printed, engraved, stamped, or otherwise placed in facsimile on the certificated registered public obligation. The facsimile seal has the same legal effect as the impression of the seal.

19-6-410. Appointment of agents by issuer.

(a)(1) An issuer may:

(A) Appoint for such term as may be agreed, including for so long as a registered public obligation may be outstanding, corporate or other authenticating agents, transfer agents, registrars, and paying or other agents; and

(B) Specify the terms of the corporate or other authenticating agents, transfer agents, registrars, and paying or other agents' appointment, including their rights, their compensation and duties, limits upon their liabilities, and provision for their payment of liquidated damages in the event of breach of certain of the duties imposed. These liquidated damages may be made payable to the issuer, the owner, or a financial intermediary.

(2) Corporate or other authenticating agents, transfer agents, registrars, and paying or other agents appointed under this section do not have to have an office or do business within this state.

(b)(1) An issuer may agree with custodian banks and financial

intermediaries, and nominees of any of them, in connection with the establishment and maintenance by others of a central depository system for the transfer of pledge of registered public obligations.

(2) Any such custodian banks and financial intermediaries, and nominees, if qualified and acting as fiduciaries, may also serve as authenticating agents, transfer agents, registrars, or paying or other agents of the issuer with respect to the same issue of registered public obligations.

(c) This section does not preclude the issuer from performing, either alone or jointly with other issuers, a transfer, registration, authentication, payment, or other function described in this section.

19-6-411. Payment of costs.

(a)(1) Before or at original issuance of registered public obligations, an issuer may provide as a part of a system of registration that:

(A) The transferor or transferee of the registered public obligations pay all or a designated part of the costs of the system of registration as a condition precedent to transfer;

(B) Costs be paid out of proceeds of the registered public obligations; or

(C) Both methods in subdivisions (a)(1)(A) and (B) of this section be used.

(2) The issuer is liable for the portion of the costs of the system of registration not provided to be paid for by the transferor or transferee or out of proceeds.

(b) As a part of a system of registration, the issuer may provide for reimbursement or for satisfaction of its liability by payment by others. The issuer may:

(1) Enter into agreements with others respecting the reimbursement or payment;

(2) Establish fees and charges pursuant to the agreements or otherwise; and

(3) Provide that the amount or estimated amount of the fees and charges shall be reimbursed or paid from the same sources and by means of the same collection and enforcement procedures and with the same priority and

effect as with respect to the obligations.

19-6-412. Reciprocal recognition for obligations.

Obligations issued by public entities under the laws of one (1) or more states, territories, possessions, or the District of Columbia, which are in registered form, whether or not represented by an instrument, and which, except for their form, satisfy the requirements with regard to security for deposits of moneys of public agencies prescribed pursuant to any law of this state, satisfy all such requirements, even though they are in registered form, if a security interest in the obligations is perfected on behalf of the public agencies whose moneys are so deposited.

19-6-413. Registration records.

(a) With regard to the ownership of or security interest in registered public obligations, records are not subject to inspection or copying under any law of this state relating to the right of the public to inspect or copy public records, notwithstanding any law to the contrary.

(b) Registration records of the issuer may be maintained at locations within or without this state that the issuer determines.

19-6-414. Exemption of interest from taxation.

The state covenants with the owners of registered public obligations that it will not amend or repeal this subchapter if the effect may be to impair the exemption from income taxation of interest on registered public obligations.

Subchapter 5 — Revenue Bond Reporting Act

19-6-501. Title.

This subchapter shall be known and may be cited as the “Revenue Bond Reporting Act”.

19-6-502. Annual report.

(a) All state and local agencies, boards, commissions, institutions of higher education, and authorities authorized by the state and cities and counties shall annually file a report with the State Board of Finance, on or

before October 1, reflecting any revenue bonds that have been issued and have not been liquidated as of the preceding July 1 by those governmental units.

(b) The report shall contain:

(1) The purpose for which the revenue bonds were issued;

(2) The total dollar amount issued;

(3) The percentage interest rate payable under the revenue bonds;

(4) The total dollar amount outstanding;

(5) The repayment schedule; and

(6) The source, type, and amount of pledged revenues for the bonds.

(c) The Secretary of the State Board of Finance shall compile a summary report of all revenue bonds from information provided under this section and present the summary report to the Legislative Council as soon as practicable after each October 1.

Subchapter 6 — Revenue Bond Act of 1987

19-6-601. Title.

This subchapter shall be known and may be cited as the “Revenue Bond Act of 1987”.

19-6-602. Legislative determination.

The people of the State of Arkansas, by the adoption of Arkansas Constitution, Amendment 65, have expressed their intention to provide governmental units expanded power and authority with respect to the creation of bonded indebtedness for capital improvements of a public nature, facilities for the securing and developing of industry or agriculture, and other purposes as defined and prescribed by the General Assembly.

19-6-603. Legislative intent.

It is the specific intent of this subchapter that the provisions of this subchapter are procedural only and are supplemental to other constitutional or statutory provisions now existing or hereafter adopted that may authorize the issuance of revenue bonds for the financing of capital improvements. This subchapter is not a restriction or limitation upon

alternative means of financing previously available or hereafter made available to municipalities or counties for the purposes set forth in this subchapter.

19-6-604. Definitions.

As used in this subchapter:

(1) "Bonds" or "revenue bonds" means:

(A) Bonds issued pursuant to an act of the General Assembly under the authority of Arkansas Constitution, Amendment 65; and

(B) All bonds or other obligations, the repayment of which are secured by rents, loan payments, user fees, charges, or other revenues derived from any special fund or source other than assessments for local improvements and taxes;

(2) "Capital improvements of a public nature" or "capital improvements" means, whether obtained by purchase, lease, construction, reconstruction, restoration, improvement, alteration, repair, or other means:

(A) Any physical public betterment or improvement or any preliminary plans, studies, or surveys relative thereto;

(B) Lands or rights in land, including without limitation leases, air rights, easements, rights-of-way, or licenses; and

(C) Any furnishings, machinery, vehicles, apparatus, or equipment for any public betterment or improvement, including without limitation:

(i) Any facilities for state agencies, city or town halls, courthouses and other administrative, executive, or other public offices;

(ii) Court facilities;

(iii) Jails;

(iv) Firefighting facilities and apparatus;

(v) Public health facilities and apparatus;

(vi) Hospitals, nursing homes, and similar extended care facilities;

(vii) Residential housing for low and moderate income, elderly persons or individuals with disabilities and their families;

(viii) Parking garages or other facilities;

(ix) Educational and training facilities for public

employees;

(x) Auditoriums, stadiums, convention halls, and similar public meeting or entertainment facilities;

(xi) Ambulance and other emergency medical service facilities;

(xii) Civil defense facilities;

(xiii) Air and water pollution control facilities;

(xiv) Drainage and flood control facilities;

(xv) Storm sewers;

(xvi) Arts and crafts centers;

(xvii) Museums;

(xviii) Libraries;

(xix) Public parks, playgrounds, or other public open space;

(xx) Marinas;

(xxi) Swimming pools, tennis courts, golf courses, camping facilities, gymnasiums, and other recreational facilities;

(xxii) Tourist information and assistance centers;

(xxiii) Historical, cultural, natural, or folklore sites;

(xxiv) Fair and exhibition facilities;

(xxv) Streets and street lighting, alleys, sidewalks, roads, bridges, and viaducts;

(xxvi) Airports, passenger or freight terminals, hangars, and related facilities;

(xxvii) Barge terminals, ports, harbors, ferries, wharves, docks, and similar marine services;

(xxviii) Slack water harbors, water resource facilities, waterfront development facilities, and navigation facilities;

(xxix) Public transportation facilities;

(xxx) Public water systems and related transmission and distribution facilities, storage facilities, wells, impounding reservoirs, treatment plants, lakes, dams, watercourses, and water rights;

(xxxi) Sewage collection systems and treatment plants;

(xxxii) Maintenance and storage buildings and

facilities;

(xxxiii) Police and sheriff stations, apparatus, and training facilities;

(xxxiv) Incinerators;

(xxxv) Garbage and solid waste disposal, compacting, and recycling facilities of every kind;

(xxxvi) Gas and electric generation, transmission, and distribution systems, including without limitation hydroelectric generating facilities, dams, powerhouses, and related facilities; and

(xxxvii) Social and rehabilitative facilities;

(3) "Governing body" means:

(A) With respect to any governmental unit defined in subdivision (4)(A) of this section, the Governor;

(B) With respect to any governmental unit defined in subdivision (4)(B) of this section, the:

(i) County court of a county;

(ii) Board of directors of a regional water distribution district, regional wastewater district, or regional solid waste management district; or

(iii) Council, board of directors, board of commissioners, or similar elected body of a city or town; and

(C) With respect to an authority created under the Regional Airport Act, § 14-362-101 et seq. between two (2) or more political subdivisions of the State of Arkansas, the Governor, the county court of a county participating in the agreement, or the council, board of directors, board of commissioners, or similar elected body of a city or town participating in the agreement;

(4) "Governmental unit" means:

(A) The State of Arkansas or an agency or other instrumentality of the state other than an institution of higher education; and

(B) A county, municipality, regional water distribution district, regional wastewater district, regional solid waste management district, or other political subdivision of the state, or an agency or instrumentality of a political subdivision of the state; and

(5)(A) "Industrial enterprise" means facilities for

manufacturing, producing, processing, assembling, repairing, extracting, warehousing, distributing, communications, computer services, transportation, corporate and management offices, and services provided in connection with any of the foregoing, in isolation or in any combination, that involve the creation of new or additional employment or the retention of existing employment, and industrial parks.

(B) "Industrial enterprise" does not include a shopping center, retail store, shop, or other similar undertaking that is solely or predominantly of a commercial retail nature.

19-6-605. Construction.

This subchapter shall be construed liberally to effectuate the legislative intent and the purposes of this subchapter as complete and independent authority for the performance of each act and thing authorized in this subchapter. All powers granted in this subchapter shall be broadly interpreted to effectuate that intent and those purposes and not as a limitation of powers.

19-6-606. Proclamation, order, etc., authorizing issuance of bonds.

(a) When a governmental unit determines the need to issue bonds for capital improvements of a public nature or industrial enterprise, the governing body shall authorize the issuance of those bonds by proclamation, order, ordinance, or resolution clearly stating the principal amount of and the purpose or purposes for which the bonds are to be issued.

(b)(1) Only upon the proclamation, order, ordinance, or resolution of the governing body shall the governmental unit be authorized to issue the bonds.

(2) A proclamation, order, ordinance, or resolution is not required for the issuance of refunding bonds, including refunding bonds when the principal amount of the new bonds to be issued exceeds the outstanding principal amount of the prior bonds or notes to be refunded.

19-6-607. Hearing.

(a) A proclamation, order, or ordinance prescribed by § 19-6-606 shall be not entered by a governing body until the governing body, the governmental unit, or the delegate of either has conducted a public hearing:

(1) In the case of a regional water distribution district, regional wastewater district, or regional solid waste management district issuing bonds, in the county seat of the county that has the greatest amount of territory within the district;

(2) In the case of a city or county issuing bonds, within the city or county; or

(3) In the locality to be affected by the issuance of the bonds if subdivisions (a)(1) and (2) of this section are not applicable.

(b) At least ten (10) days before the date set for the public hearing, notice of the hearing shall be published one (1) time in a newspaper of general circulation:

(1) In the locality to be affected; or

(2) In the case of a regional water distribution district, regional wastewater district, or regional solid waste management district, in a newspaper of general circulation in each county in which land lies within the boundaries of the district.

(c) The notice shall:

(1) Contain a general description of the purpose or purposes for which the bonds are to be issued;

(2) Contain the maximum principal amount of the bonds; and

(3) State the date, time, and place of the public hearing.

Subchapter 7 — Taxable Bond Act of 1989

19-6-701. Title.

This subchapter shall be known and may be cited as the “Taxable Bond Act of 1989”.

19-6-702. Legislative findings.

The General Assembly finds and declares:

(1) The United States Supreme Court, in the case of South Carolina v. Baker, 485 U.S. 505 (1988), held that no barrier exists under the United States Constitution to the imposition of federal income taxation on interest received by holders of bonds of governmental units. Such an exemption from federal income taxation has been a desirable feature of these bonds, operating to reduce interest expense to governmental units and

enhancing the marketability of the bonds;

(2) The continued ability of governmental units to provide for the financing of public improvements and other projects and programs that serve important public purposes by the issuance of bonds is essential for the health, welfare, and economic well-being of the people of the State of Arkansas;

(3) By the adoption of the Internal Revenue Code, 26 U.S.C. § 1 et seq., the United States Congress has substantially limited the purposes for which bonds may be issued with interest exempt from federal income taxation and imposed other restrictive provisions as a condition of the exemption. Additionally, under the authority of South Carolina v. Baker, the United States Congress may be expected to enact other laws and effect changes in federal tax policy to eliminate or further reduce the exemption of interest on bonds of governmental units from federal income taxation, with the result that, to provide financing for public purposes, governmental units may now find it in their best interests to issue bonds the interest on which is not exempt from federal income taxation;

(4) Under the Arkansas Constitution and existing laws of this state, governmental units have had, and continue to have, the power to issue bonds without respect to whether the interest thereon is subject to federal income taxation. However, many statutes applicable to governmental units lack effective, modern procedures under which the structure of a taxable financing may comply with current market practices, obtain the lowest effective borrowing cost, or provide terms most suitable to the governmental unit, the project, or the financing program; and

(5) The purposes sought to be achieved by this subchapter are to provide governmental units with all means necessary to obtain financing for public purposes under the changing circumstances related to future tax policy of the federal government and to supplement and complement the provisions of existing and future laws authorizing the issuance of bonds, to the end that governmental units may provide for the health, safety, and welfare of the people by the issuance of bonds under terms and conditions necessary under the then-existing conditions.

19-6-703. Definitions.

As used in this subchapter:

(1) "Bonds" means any bonds, issued pursuant to the Arkansas Constitution and pursuant to an act of the General Assembly heretofore or hereafter enacted, and means all debentures, notes, warrants, tax anticipation notes, bond anticipation notes, commercial paper, or other evidence of indebtedness or leases, installment purchase contracts, or other agreements or certificates of participation therein issued by or on behalf of a governmental unit, secured by revenues from any special fund or source or assessments for local improvements and taxes;

(2) "Foreign currency" means currency, euros, or money other than the legal tender of the United States;

(3)(A) "Governmental unit" means the State of Arkansas, a department, board, commission, or other agency or instrumentality of the state, or a county, municipality, school district, regional water distribution district, improvement district, public trust, or other political subdivision of the state, heretofore or hereafter created, or a board, commission, authority, or other public agency or instrumentality of a governmental unit that is now or hereafter authorized by law to issue bonds.

(B) This subchapter does not give a department, board, commission, or other agency of the state any additional authority to issue bonds or take any action independently and without acting by or through the State Board of Finance if the participation of the board is otherwise required by the law under authority of which the bonds are issued; and

(4) "Taxable bonds" means bonds the interest on which is not, in any manner, exempt from federal income taxation or excludable from gross income for federal income tax purposes.

19-6-704. Subchapter supplemental — Effect on other state laws or on previously issued bonds.

(a) This subchapter is supplemental to all other provisions of state law governing the issuance of bonds by any governmental unit and, except as otherwise provided in this subchapter, the provisions of state law governing the issuance of bonds by any governmental unit shall continue to apply to the issuance by the governmental unit of taxable bonds.

(b) This subchapter does not broaden or otherwise alter any provisions of state law as they relate to the issuance of the bonds the interest on which is, in some manner, exempt or excludable from federal income taxation.

(c) The reference in this subchapter to law providing authority for issuance of bonds means laws now in effect and as hereafter enacted or amended by the General Assembly.

(d) This subchapter does not impugn the validity of any taxable bonds heretofore issued.

19-6-705. Construction.

This subchapter shall be liberally construed to effectively carry out the purposes of this subchapter.

19-6-706. Issuance of bonds authorized.

A governmental unit may issue taxable bonds for any purpose permitted by the law heretofore or hereafter enacted under authority of which the taxable bonds are issued, whether those purposes are set forth in each law by specific category or by a general authorization to accomplish public purposes.

19-6-707. Ordinance, resolution, indenture, etc.

The ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of taxable bonds may provide for any of the following:

(1) The bonds shall be in such denominations, in such form, either bearer or registered, and payable at such place or places, either within or without the United States, at such time or times, as, in each case, the governmental unit determines, subject to any limitations on the maturity of bonds set forth in the law under authority of which the bonds are issued;

(2) The bonds shall be payable in legal tender of the United States, in a foreign currency, in commodities, or in precious metals, as the governmental unit determines;

(3) In connection with the bond issue, the governmental unit may appoint:

(A) A cotrustee located outside of the boundaries of the United States or its territories or possessions so long as it also appoints a trustee otherwise meeting the requirements of the statutes under authority of which the bonds are issued; and

(B) A paying agent or a copaying agent located outside the

boundaries of the United States or its territories or possessions;

(4)(A) In connection with, or incidental to, the sale and issuance of bonds, the governmental unit may enter into any contracts that it determines to be necessary or appropriate to achieve a desirable effective interest rate in connection with the bonds by means of, but not limited to, contracts commonly known as investment contracts, funding agreements, interest rate swap agreements, currency swap agreements, forward payment conversion agreements, futures, or contracts providing for payments based on levels of or changes in interest rates, or contracts to exchange cash flows or a series of payments, or contracts, including, without limitation, options, puts or calls, whether or not used to hedge payment, rate, spread, or similar exposure.

(B) Contracts or arrangements as described under subdivision (4)(A) of this section:

(i) May also be entered into by governmental units in connection with, or incidental to, entering into any agreement that secures bonds or provides liquidity therefor; and

(ii) Shall be made upon the terms and conditions established by the governmental unit, after giving due consideration for the credit worthiness of the counterparties, when applicable, including any rating by a nationally recognized rating service or any other criteria as may be appropriate;

(5) In connection with, or incidental to, the sale and issuance of the bonds, or entering into any of the contracts or arrangements referred to in subdivision (4) of this section, the governmental unit may enter into the credit enhancement or liquidity agreements, with payment, interest rate, security, default, remedy, and other terms and conditions that the governmental unit determines; and

(6) Notwithstanding any provisions of state law relating to the investment or reinvestment of surplus funds of a governmental unit, proceeds of the bonds and any moneys set aside or pledged to secure payment of the principal of, premium, if any, and interest on the bonds, or any of the contracts entered into pursuant to subdivision (4) of this section, may be invested in securities or obligations described in the ordinance or resolution providing for the issuance of the bonds.

19-6-708. Sale.

The bonds may be sold at public or private sale. If the governmental unit determines that a negotiated sale of the taxable bonds is in the best interest of the governmental unit, the governmental unit may negotiate for the sale of the taxable bonds.

19-6-709. Proceeds — Use.

(a) The proceeds of an issue of taxable bonds and the investment earnings on the proceeds shall be used in the manner and to the extent specified in the ordinance or resolution providing for the issuance of the taxable bonds, by the governmental unit issuing the taxable bonds for a purpose specified for the issuance of taxable bonds in the law under authority of which the taxable bonds are issued.

(b) Notwithstanding subsection (a) of this section, invested or reinvested proceeds of an issue of taxable bonds shall be deemed to have been expended for a purpose specified for the issuance of taxable bonds in the law under authority of which the taxable bonds are issued if the earnings on the proceeds and proceeds of liquidation of the investments are acquired with the proceeds, to the extent that they are:

(1) Applied to pay or service debt service on the taxable bonds; or

(2) Applied toward that purpose.

(c) When the bond proceeds of taxable bonds are invested or reinvested by the governmental unit in obligations permitted by this subchapter, the issuance of the taxable bonds shall be deemed to be for a public purpose, provided that the net proceeds of such an investment or reinvestment, after sufficient provision is made for debt service on the taxable bonds, are then applied to a purpose for which the governmental unit has authority to issue taxable bonds and the governmental unit has determined upon appropriate findings of fact that the application of net proceeds is for a public purpose that the governmental unit may perform.

19-6-710. Refunding bonds.

Notwithstanding any provisions of state law relating to the investment or reinvestment of surplus funds of any governmental unit or any more restrictive provisions of the law under authority of which the bonds are

issued, the proceeds of taxable bonds issued to refund or advance refund a prior issue or issues of bonds may be invested in securities or obligations described in the ordinance or resolution providing for the issuance of the refunding bonds.

CHAPTER 7
FEDERAL FUNDS

Subchapter 1. General Provisions
Subchapter 2. Receipt of Federal Funds Generally
Subchapter 3. Miscellaneous Federal Grant Act
Subchapter 4. Grant Application Review — Indirect Cost Reimbursements
Subchapter 5. Sale or Lease of Minerals, Oil, and Gas
Subchapter 6. Educational Funding

Subchapter 1 — General Provisions

19-7-101. Reports to Legislative Council.

(a) The Secretary of the Department of Finance and Administration shall file quarterly reports with the Legislative Council itemizing and summarizing all contracts or agreements entered into by the Governor with the United States Government, or any agencies or instrumentalities of the federal government, whereby the State of Arkansas is to participate in any program involving the expenditure of federal funds, whether or not state funds are obligated in connection therewith, with respect to new federal programs, or expansion of existing federal programs that were not in existence or that were not implemented by state participation, at the time of the adjournment of the regular session of the General Assembly and entered into before the convening of the next regular session of the General Assembly.

(b) With respect to each such contract or agreement, the report shall list:

(1) A brief statement of the purposes of the contract or agreement;

(2) The amount of federal funds to be expended under the contract or agreement;

(3) The amount of any state matching funds required in

connection with the program, if any;

(4) The name of the agency or department that will administer the program; and

(5) Any additional information that will enable the members of the Legislative Council to determine the nature and purposes of the agreement.

19-7-102. Legislative review of federal programs.

(a) The Legislative Council shall review the quarterly reports filed by the Secretary of the Department of Finance and Administration as required in § 19-7-701 and shall submit its findings and recommendations to each succeeding regular session of the General Assembly for enabling legislation to implement, restrict, or prohibit the state's participation in any such new federal program or expanded federal program that was implemented by contract or agreement entered into by the Governor subsequent to the adjournment of the preceding session of the General Assembly.

(b)(1) If the next regular session of the General Assembly fails to prohibit or restrict the state's participation in any such new or expanded program implemented by contract or agreement signed by the Governor with the United States Government during the interim between the immediately preceding regular session of the General Assembly, then the state may continue to participate in that federal program.

(2)(A) However, if the General Assembly restricts or prohibits the state's participation in any such new or expanded federal program implemented by contract or agreement subsequent to the last regular session, it shall be unlawful for the state to continue to participate in, or to expend any state funds in connection with, any such program.

(B) All contracts or agreements entered into by the Governor or any department or agency of the state acting under authority of the Governor shall be void, and the state's participation therein shall cease upon the adjournment of the General Assembly or at such later date if a later date for the termination of the state's participation therein has been prescribed by law.

19-7-103. Control of college study programs and basic educational grants.

(a) All state agencies, departments, and institutions receiving public funds are charged with the responsibility of the handling, receipt, and disbursement of these funds within their normal framework as provided by the laws of the State of Arkansas. The control of these funds arising from the federal programs of college work-study programs and basic educational opportunity grants received by the named governmental entities within this subchapter shall be within the daily control of the various administrators of the state agencies, departments, and institutions.

(b)(1) The Division of Elementary and Secondary Education shall issue rules for the administration of the funds received for college work-study programs and basic educational opportunity grants for the vocational-technical schools.

(2) The Division of Higher Education shall issue rules for the administration of the funds received by state colleges and universities.

(3) The administration guidelines for the control of the funds of these two (2) programs shall be treated within the fiscal management laws of the State of Arkansas.

(4) Before these rules are implemented, the approval of the Legislative Council and the Legislative Joint Auditing Committee shall be obtained.

(c) All agreements made by state agencies with Arkansas Plan, Inc., are declared to be against public policy of the State of Arkansas, with such agreements being null and void.

(d) A public servant who does not comply with the provisions of this section commits a Class A misdemeanor. This offense is classified as noncompliance with this section.

Subchapter 2 — Receipt of Federal Funds Generally

19-7-201. Sale of public lands generally.

From time to time, the Treasurer of State shall to draw for and receive from the United States Secretary of the Treasury all sums of money that may accrue to the state on account of the five percent (5%) of the net proceeds of the sale of public lands of the United States lying within the State of Arkansas.

19-7-202. Sale of public domain lands and leases.

(a) Funds received by the Treasurer of State from the federal government on account of the sale of public domain lands from any funds coming to the Treasurer of State from the Taylor Grazing Act, 43 U.S.C. § 315, shall be distributed to the respective counties in which the property is situated.

(b)(1) Eighty percent (80%) of the funds of each county shall be distributed to the school districts of the county in ratio to the leased territory or public domain sold within the district.

(2) The remaining twenty percent (20%) of the funds for each county shall be credited to the county road fund.

(c) The county treasurer shall make distribution of the school districts' portion on an acreage basis or other equitable basis if the data required for making a distribution of funds as provided in this section is not available at the time funds are available for distribution.

(d)(1) The Treasurer of State shall distribute that portion of the funds that accrue to the schools to the respective counties and distribute the funds that accrue to the county road funds.

(2)(A) The county quorum court shall provide the county treasurer with a statement showing the distribution of the funds in accordance with law.

(B) Thereafter, the county treasurer shall credit the respective school districts with the amounts indicated.

19-7-203. Lease of lands for flood control purposes.

All funds received by the Treasurer of State from the federal government on account of the lease of lands acquired by the federal government for flood control purposes, and distributed by the Treasurer of State to the respective counties, shall be distributed by each county receiving them as follows:

(1) Eighty percent (80%) of the funds received by each county shall be distributed to the school districts in the county, with each school district to receive the portion thereof that the flood control acreage in that district bears to the total flood control acreage in all districts in the county; and

(2) Twenty percent (20%) of the funds received by each county

shall be credited to the county road fund.

19-7-204. Revenues derived from forest reserves.

(a) All money paid into the State Treasury by the federal government from the revenue derived from the forest reserves within this state for the benefit of public schools and public roads, as provided by congressional act, to the amount of fifty thousand dollars ($50,000) or as much thereof as may be so paid in, shall be appropriated as follows:

(1) Three-fourths (¾) of the money received by the State Treasury from the federal government from the revenues derived from the forest reserves within this state shall be apportioned to the public schools as provided in § 6-20-218 and Acts 1933, No. 104, § 2 [obsolete]; and

(2) The remaining one-fourth (¼) shall be apportioned to the public roads of the respective counties from which the money was derived.

(b)(1) On the first Monday in September of each year, the Auditor of State shall draw his or her warrant on the State Treasury in favor of the county treasurer in each county which has any funds from the forest reserve revenue for the remaining one-fourth (¼) of the money. The county treasurers shall add it to the funds of their respective counties for the improvement of the public roads.

(2) The Auditor of State's warrant shall be drawn upon a certified copy of an order of the county court, directing the county treasurer to draw the funds.

19-7-205. Geological and Conservation Federal Fund.

(a) There is created in the Treasurer of State's office a fund to be known as the "Geological and Conservation Federal Fund".

(b) Federal funds as may be allotted to the Office of the State Geologist shall be deposited into the fund.

19-7-206. Loans on agricultural products.

It is lawful for the Division of Correction and other state institutions and the counties of the state that produce cotton or other agricultural products to participate in government loans made available upon these agricultural products. The superintendent of any such state institution and the county judge of any such county may enter into the necessary papers

to secure the benefits of these government loans.

19-7-207. Proceeds from sale of lumber on military bases.

(a) All moneys received by the Treasurer of State from the United States Government from the sale of lumber and timber products on United States military installations shall be distributed to the respective counties in which the property is situated.

(b)(1) Seventy-five percent (75%) of the moneys for each county shall be distributed to the respective school districts of the county in the same proportion that the lumber and timber products sold within that school district have to the total of lumber and timber products sold in the county.

(2) The remaining twenty-five percent (25%) of the moneys for each county shall be credited to the county road fund.

(3) The county treasurer shall make distribution of the school districts' portions on an equitable basis if the data required for making distribution of funds as provided in this section is not available at the time funds are available for distribution.

Subchapter 3 — Miscellaneous Federal Grant Act

19-7-301. Title.

This subchapter shall be known and may be cited as the "Miscellaneous Federal Grant Act".

19-7-302. Procedure upon availability of unanticipated federal funds.

(a) If new or additional federal funds, new or additional Comprehensive Employment and Training Act, or its successor's, funds, or changes in state use of appropriations for programs combined into block grants from the United States Government become necessary, or if new federal programs or new Comprehensive Employment and Training Act, or its successor's, programs are initiated that are not authorized or contemplated in the biennial operations appropriation act for the benefiting state agency and such changes make it necessary that the benefiting state agency employ additional personnel or require additional appropriations to expend these funds in order to carry out the objectives of the federal programs or to meet federal requirements, then the head of the affected state agency may request

the approval of the Governor and the Chief Fiscal Officer of the State, as provided in this section, for additional appropriations of one (1) or more new or additional salaried positions to be utilized by that respective agency. The salary rates for these positions shall not exceed the highest maximum annual salary rate or the highest grade level position authorized in the salary schedule of the requesting agency's biennial appropriation act for operations, as governed by the Uniform Classification and Compensation Act, § 21-5-201 et seq.

(b) In the case of those agencies, departments, or institutions, that are specifically exempt from the provisions of the Uniform Classification and Compensation Act, § 21-5-201 et seq., such new or additional employees shall be established at salary rates not to exceed the maximum established in the salary schedule of the biennial operations appropriation act for the respective agency for comparable positions. The additional positions shall not exceed the maximum number of positions authorized for the agency in the biennial appropriation act for operations.

(c) Whenever the head of a state agency deems it necessary to establish new or additional appropriations or positions authorized in this section, he or she shall file with the Governor a written report accompanied by necessary supporting documents. These documents shall set forth:

(1) The facts, justifications, and circumstances that necessitate the appropriations;

(2) The maximum number of positions sought, the titles of those positions, and the maximum annual salary rate to be paid each position;

(3) A complete line item operations budget for the program;

(4) A statement of the expected duration into future years of the federal funds; and

(5) Whether or not the program is anticipated to eventually be supported either in part or in whole by state revenues.

(d) Upon receipt of the report and supporting documents, for unanticipated miscellaneous federal grants, excluding the Comprehensive Employment and Training Act or its successor, the Governor or the Governor's designee shall study it. If he or she determines that the new or additional positions or appropriations are being sought in strict compliance with this subchapter, the Governor, after seeking the advice of the Legislative Council or the Joint Budget Committee, may approve or modify the request for such

additional or new positions or appropriations as, in his or her judgment, he or she deems necessary. The Governor shall forward a copy of the reviewed request to the head of the requesting agency and the Chief Fiscal Officer of the State. Upon receipt of the reviewed request, the Chief Fiscal Officer of the State shall direct the Auditor of State and the Treasurer of State to establish upon their books of record the necessary appropriation accounts in accordance with the provisions as set out in this section and the applicable classifications of appropriations as enumerated in §§ 19-4-511 — 19-4-516 and in accordance with any federal limitations as may be applicable to the funds that are available.

(e) Each even-numbered year the Chief Fiscal Officer of the State shall file with the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, a cumulative report summarizing all appropriations transferred and all additional positions authorized in relation to unanticipated federal funds subject to this subchapter, including without limitation miscellaneous federal grants and miscellaneous workforce investment programs, during the preceding two (2) fiscal years.

19-7-303. Additional procedures and limitations.

In addition to the limitations and procedures established in § 19-7-302, the following additional procedures and limitations shall be held in strict compliance:

(1) All new or additional federal funds or new or additional state funds under the Arkansas Workforce Innovation and Opportunity Act, § 15-4-3701 et seq., expended by the benefiting agency under the authority of any appropriation provided by the General Assembly for such purposes and transferred through the provisions and procedures established in this section shall be deposited into, and expended from, the State Treasury;

(2)(A) Appropriations authorized by the General Assembly for such purpose and transferred pursuant to the procedures set out in this section shall be strictly used for the expenditure of the Arkansas Workforce Innovation and Opportunity Act, § 15-4-3701 et seq., grant-in-aid moneys or other federal grant-in-aid moneys received, reimbursements from the federal government, and local or private funds designated as matching funds for these federal projects.

(B) Amounts appropriated under subdivision (2)(A) of this

section shall be deposited into the State Treasury for the benefit of the State of Arkansas, or any of its agencies, for use in emergency relief needs or for the operation of any Arkansas Workforce Innovation and Opportunity Act, § 15-4-3701 et seq., programs or any other programs approved by the federal government for which no appropriations or insufficient appropriations were provided elsewhere for those purposes;

(3)(A) Additional positions authorized under § 19-7-302 shall be paid from the Arkansas Workforce Innovation and Opportunity Act, § 15-4-3701 et seq., funds deposited into the State Treasury for that specific Arkansas Workforce Innovation and Opportunity Act, § 15-4-3701 et seq., program as may be authorized through this subchapter or from federal, local, or private funds deposited into the State Treasury for that specific federal program as may be authorized through this subchapter.

(B) However, general, special, trust, or miscellaneous state funds may not be used for the purpose of paying salaries of the positions so authorized;

(4) The Chief Fiscal Officer of the State may promulgate rules he or she may deem necessary and proper in order to carry out this subchapter;

(5) Sections 19-4-1707 and 19-4-1801 that establish the federal grants, aid, and reimbursements procedures and federal funds procedures of the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., shall be strictly complied with;

(6) Unless provided elsewhere, all federal funds received by state agencies, departments, boards, and commissions benefiting from the establishment of the biennial operations appropriation acts authorized by the General Assembly for new federal or Arkansas Workforce Innovation and Opportunity Act, § 15-4-3701 et seq., programs shall be deposited into the State Treasury, except when such deposit is expressly prohibited, in writing, as a condition for approval of the grant or reimbursement by the federal grant or agency; and

(7) An appropriation as authorized by the General Assembly for new federal or Arkansas Workforce Innovation and Opportunity Act, § 15-4-3701 et seq., programs that the Chief Fiscal Officer of the State transfers or causes to be transferred to the various agencies shall not be utilized for entering into or making payments for personal service contracts.

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

organizations;

(3) “Indirect cost reimbursements” means the reimbursement by a federal agency to agencies of state government for the costs incurred that are necessary for the efficient conduct of a federal grant or contract, as stated in United States Office of Management and Budget Circular A-87, “A Guide for State and Local Government Agencies — Cost Principles and Procedures for Establishing Cost Allocations Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government”;

(4) “Office of Intergovernmental Services” means an organizational unit within the Department of Finance and Administration;

(5) “Revenue sharing” means payments to units of local government as authorized by the State and Local Fiscal Assistance Act of 1972;

(6) “Review and comment” means the process by which any unit of government, organization, or individual may request to review and provide comments upon any application for federal funding assistance, as limited by other sections of this subchapter;

(7) “State agency” means an agency, board, commission, department, or institution of this state; and

(8) “State clearinghouse” means that section of the Office of Intergovernmental Services that is designated as the governmental unit responsible for coordinating the review of applications for federal funding assistance, pursuant to Executive Order 12372, Intergovernmental Review of Federal Programs and other provisions of this subchapter.

19-7-403. Administration.

The Office of Intergovernmental Services is responsible for carrying out the duties and responsibilities of this subchapter.

19-7-404. Federal grants, aids, and reimbursement procedures.

(a)(1) All formal applications for federal funds for grants, aids, and reimbursements originated by a state agency shall be submitted to the Department of Finance and Administration before their submission to the granting source.

(2) Applications shall include, in a manner prescribed by the Secretary of the Department of Finance and Administration, a summary of the

proposed project.

(3) The summary shall include the indirect cost rate of the applicant agency, together with a projection of funds to be received as indirect cost reimbursement.

(4) The Department of Finance and Administration shall file with the Bureau of Legislative Research a summary of these applications for their review.

(b)(1) Preliminary, preapplication, or informal proposals that may eventually result in a commitment of personnel, space, facilities, or state funds shall be submitted to the Department of Finance and Administration at the time they are submitted to the federal granting agency.

(2) In order to eliminate overlap, inefficiency, or a violation of legislative intent, the secretary may require a review of the proposal, soliciting comment from other agencies that might be affected, and may require the suspension of negotiations until the review is completed.

(3) This subsection is not applicable to institutions of higher education. However, a copy of the preliminary proposals shall be submitted to the Department of Finance and Administration for the information of the Department of Finance and Administration.

(c) The Department of Finance and Administration shall prescribe procedures relative to preliminary proposals and formal applications for federal grants, aids, and reimbursements.

(d)(1) When a state agency receives notification of an award of any federal funds, grants, aids, or reimbursements, including unsolicited funds, the Department of Finance and Administration shall be notified on forms to be prescribed by the secretary.

(2) A section shall be included on the forms to report payments from federal funds for indirect cost reimbursements resulting from:

(A) Overhead costs of the state agency; and

(B) Overhead costs of state central services allocated to that state agency through the Statewide Cost Allocation Plan.

(3) The Department of Finance and Administration shall provide the Bureau of Legislative Research a summary of the notifications for review.

(e)(1) The Office of Intergovernmental Services shall function as the state clearinghouse for coordinating the review and comment process relative to applications for federal funding assistance under Executive Order 12372,

Intergovernmental Review of Federal Programs and other provisions of this subchapter.

(2) The Department of Finance and Administration is responsible, in consultation with state and local elected officials, for developing procedures to implement the review and comment process for applications for federal funding assistance.

19-7-405. Indirect cost reimbursements.

(a) The Office of Intergovernmental Services is responsible for preparation of the Statewide Cost Allocation Plan for the allocation of state central services' overhead costs to state agencies that elect to seek reimbursement for them according to the provisions of United States Office of Management and Budget Circular A-87.

(b) The Office of Intergovernmental Services also shall:

(1) Prepare indirect cost rate proposals on behalf of the state agencies; or

(2) Provide assistance as necessary to state agencies that prepare their own indirect cost rate proposals if the state agency elects to seek payment from the federal government for these costs.

(c) The Office of Intergovernmental Services may negotiate the statewide cost allocations with the appropriate federal authorities and indirect cost proposals prepared by the Office of Intergovernmental Services with any state agency.

(d) A state agency that chooses to utilize indirect cost rates according to this subchapter shall submit a copy of its indirect cost rate proposals to the Department of Finance and Administration and also a copy of its indirect cost rate agreement after the cognizant federal agency has approved the rate proposal.

19-7-406. Transfer of reimbursements.

The Secretary of the Department of Human Services may transfer from the Department of Human Services federal funds as designated by the Chief Fiscal Officer of the State to the appropriate state fund account those federal funds recovered as reimbursement for indirect costs that are not required to be transferred to the Constitutional Officers Fund or the State Central Services Fund pursuant to this subchapter.

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

mineral lands belonging to the federal government and located in this state shall be distributed under this section.

(b) Moneys received under subsection (a) of this section by and after September 1, 2008, by the Treasurer of State shall be credited by the Treasurer of State as follows:

(1) Fifty percent (50%) of the moneys received shall be credited to the General Revenue Fund Account for distribution to various funds that participate in the distribution of general revenues in the respective proportion to each fund, to be used for the purposes under the Revenue Stabilization Law, § 19-20-101 et seq.; and

(2) Fifty percent (50%) of the moneys received shall be distributed to the counties in which the federal lands that generate the moneys are located according to federal reports that identify the counties with the federal lands that generate the moneys. Moneys under this subdivision (b)(2) shall be distributed by the Treasurer of State as follows:

(A)(i) Sixty percent (60%) of the moneys shall be distributed to the County Aid Fund, to be distributed by the Treasurer of State to the county treasurer of each county that has a school district with a boundary that includes a portion of the federal lands that generate the moneys.

(ii) A county is responsible for distributing moneys under subdivision (b)(2)(A)(i) of this section to a school district with a boundary that includes a portion of the federal lands that generate the moneys.

(iii) If there is more than one (1) school district with a boundary that includes a portion of the federal lands that generate the moneys within a county receiving these moneys, then each school district in that county shall receive a proportionate share of the moneys based on the school district's portion of the acreage over the total acreage in all districts in that county;

(B) Fifteen percent (15%) of the moneys received under this subdivision (b)(2) shall be distributed to the County Aid Fund to be distributed by the Treasurer of State to the county treasurer for credit to the county road funds of the counties to which these moneys are allocated; and

(C)(i) Twenty-five percent (25%) of the moneys received

under this subdivision (b)(2) shall be distributed to the County Aid Fund for distribution by the Treasurer of State to the county treasurer of the county to which the moneys are to be distributed.

(ii) Except as provided under subdivision (b)(2)(C)(iii) of this section, on receipt of the moneys under this subdivision (b)(2)(C), the county treasurer of the county shall distribute the moneys to the county general fund and to the respective cities, towns, school districts, community college districts, and county and municipal libraries in the county in the proportion that each taxing unit shares in the real and personal property taxes collected in the county.

(iii) A school district in the county that receives a distribution of funds under subdivisions (b)(2)(A) and (B) of this section and the county road fund that receives a distribution of funds under subdivisions (b)(2)(A) and (B) of this section are not entitled to receive an additional distribution of the funds under this subdivision (b)(2)(C).

Subchapter 6 — Educational Funding

19-7-601. Federal Adult Basic Education Fund.

There is created 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 “Federal Adult Basic Education Fund”.

19-7-602. Federal Elementary and Secondary Education Fund.

There is created 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 “Federal Elementary and Secondary Education Fund”.

SUBTITLE 2 — REVENUE STABILIZATION LAW

CHAPTER 20. GENERAL PROVISIONS
CHAPTER 21. FUNDS AND ACCOUNTS GENERALLY
CHAPTER 22. GENERAL REVENUE OPERATING FUNDS AND FUND ACCOUNTS
CHAPTER 23. DISTRIBUTION OF GENERAL REVENUES
CHAPTER 24. BUDGET STABILIZATION TRUST FUND
CHAPTER 25. MUNICIPAL AND COUNTY AID FUNDS

CHAPTER 26. TRUST FUNDS

CHAPTER 27. MISCELLANEOUS FUNDS

CHAPTERS 28 — 39. [RESERVED.]

CHAPTER 20
GENERAL PROVISIONS

19-20-101. Title.

This *subtitle* shall be known and may be cited as the "Revenue Stabilization Law".

19-20-102. Legislative intent.

Because of the many revenue laws of the state providing for the levying and collecting of taxes, licenses, and fees for the support of state government and its agencies and enacted by the General Assembly, it is declared to be the policy of the General Assembly with respect to all such revenues and other state income that is required by law to be deposited into the State Treasury to provide for the handling and deposit of the funds in the manner provided in the Revenue Classification Law, § 19-40-101 et seq., and in this *subtitle* in the following manner:

(1) To declare the objects and purposes for which the general revenues as defined in the Revenue Classification Law, § 19-40-101 et seq., and other incomes individually and collectively are to be used. It is the intent and purpose of this section and other provisions of this *subtitle* to comply with the provisions of the Arkansas Constitution, including Arkansas Constitution, Article 16, § 11;

(2) Because the constitutional and fiscal agencies of the state and certain other defined agencies or programs, either individually or collectively, render services to every state department, board, commission, institution, agency, or activity supported from revenues deposited into the State Treasury, it is declared to be the policy of the General Assembly that all taxes, licenses, and fees defined as general revenues and special revenues under the Revenue Classification Law, § 19-40-101 et seq., shall contribute to the support of the constitutional and fiscal agencies and other defined agencies in the proportion and for the purposes as provided by law for the payment of such services;

(3) As to the taxes, licenses, fees, and other revenues contributing to the general revenues as defined in the Revenue Classification Law, § 19-40-101 et seq., it is not the purpose of this *subtitle* to levy or to change the amount or rate of such taxes, but to state the purpose for which such general revenues are to be used. This *subtitle* shall not be construed as amending any of the provisions of the law with respect to the taxes defined to be general revenues except for the purpose of providing for the distribution of them and defining the purposes for which these revenues are raised and collected; and

(4) As to the special taxes, licenses, fees, and other revenues contributing to the special revenues as provided in the Revenue Classification Law, § 19-40-101 et seq., it is not the intent of the Revenue Classification Law, § 19-40-101 et seq., or of this *subtitle* to levy or change the amount or rate of such taxes nor to change the purposes for which those special revenues are to be used as provided by law. This *subtitle* shall not be construed as amending any of the provisions of the law with respect to the special revenues as defined in this *subtitle*, except for the purpose of providing for the distribution of them and providing that the purposes for which such revenues are collected shall also include the services rendered to the constitutional and fiscal agencies and other defined agencies in the manner provided in the Revenue Classification Law, § 19-40-101 et seq., and in this *subtitle*.

19-20-103. Fiscal year.

The fiscal year of the state, for the conduct of its financial affairs, shall commence on July 1 and end on June 30 of the following year.

19-20-104. Establishment of other funds or accounts.

(a)(1) The Chief Fiscal Officer of the State may only establish such other funds or fund accounts on the books and on the books of the Treasurer of State and the Auditor of State for making payments that are composed of funds derived from more than one (1) fund or fund account as established by this *subtitle*.

(2) The Chief Fiscal Officer of the State may also establish paying accounts on the books of the Treasurer of State and the Auditor of State for making payments that are composed of funds derived from more than

one (1) source.

(3) However, the Chief Fiscal Officer of the State may establish on the books accounts within funds or fund accounts carried on the books of the Treasurer of State and the Auditor of State that he or she deems are necessary for the accounting system of his or her office.

(b) Nothing in this section prevents the establishment of new funds composed solely of federal grants, aids, reimbursements, or any other moneys received from the United States Government that are to be used for specific purposes.

19-20-105. Appropriations for agencies not funded.

If the General Assembly has appropriated general revenue funds for any agency, department, or institution for which funding is not provided in this *subtitle*, the Chief Fiscal Officer of the State shall make the appropriation payable from the General Revenue Fund from which the principal department as created by §§ 6-11-101, 6-11-102, 25-2-101 — 25-2-109, 25-5-101, 25-6-102, 25-7-101, 25-8-101, 25-8-105, 25-9-101, , 25-10-102, 25-10-103 [repealed], 25-10-104, 25-10-105 [repealed], 25-10-106, 25-11-101, 25-11-102, 25-12-101, 25-13-101, and 25-14-101 draws its support. If the appropriation is made to any other agency of the state, the appropriation shall be made payable from the Miscellaneous Agencies Fund Account.

19-20-106. Transfer of funds.

(a) The Chief Fiscal Officer of the State may direct a transfer of funds on the books of the Treasurer of State, the Auditor of State, and the Department of Finance and Administration for the following purposes:

(1) To correct accounting errors;

(2) To make loans to authorized funds, fund accounts, or accounts and to repay such loans when they become due and payable, all of which as may be authorized by law;

(3) To reimburse the Miscellaneous Revolving Fund or successor funds, fund accounts, or accounts for the payment of claims, refunds, or other authorized disbursements as may be authorized by law;

(4)(A) To transfer to the state agency responsible for administering federal Social Security and state retirement programs for public employees, public school teachers as defined by law, highway

employees, and state police employees in such amounts as shall be certified as being due, including any penalties due to delinquency of obligations, funds on deposit in the State Treasury containing operating moneys for any:

(i) Political entity, including any state agency, board, commission, department, institution, state-supported community college, college, or university;

(ii) Political subdivision of the state, including a regional, county, or municipal government; or

(iii) School district.

(B)(i) The head of the state agency responsible for administering the programs shall certify to the Chief Fiscal Officer of the State the agencies, funds, amounts involved, and any other pertinent information.

(ii) The Chief Fiscal Officer of the State shall then notify the Auditor of State and the Treasurer of State of the transfers; or

(5) To transfer funds between state agencies and within state agencies in order to eliminate the double accounting of receipts and expenditures that occurs under the method of issuing vouchers; or

(6) For such other purposes as may be specifically authorized by law.

(b)(1) The transfer document form shall be designed by the Chief Fiscal Officer of the State, with the approval of the Treasurer of State and the Auditor of State, and shall be designed in such form so as to be compatible with the accounting and coding systems of all three (3) offices.

(2) The transfer document as executed by the Chief Fiscal Officer of the State shall bear his or her manual signature or the signature of a designated official of his or her office.

(3) In addition, there shall be stated in the document a clearly understood reason for the issuance of the transfer and the specific legal authority for the transfer.

(c)(1) The Treasurer of State shall issue an official transfer document, designed by him or her with the approval of the Chief Fiscal Officer of the State and the Auditor of State as to its form for the purpose of distributing general and special revenues at the close of business each month.

(2) This document shall bear the manual signature of the Treasurer of State or his or her deputy.

(d) The Treasurer of State may refuse to make any transfer if, in his or her opinion, sufficient proof of the legality of the transfer is not provided.

(e)(1) The Chief Fiscal Officer of the State may transfer moneys from the General Revenue Allotment Reserve Fund accruing thereto from year-end balances as authorized by § 19-27-204(b)(1) and (2), or from such other funds, fund accounts, or accounts when the fund balances may be transferred as set out in subdivision (e)(2) of this section.

(2) In those instances in which the General Assembly authorizes carrying forward from one (1) fiscal year to the succeeding fiscal year, but not exceeding a two-year appropriation period in conformity with Arkansas Constitution, Article 5, § 29, a transfer of moneys shall be made for reimbursing the fund, in accordance with this subsection for the additional moneys expended resulting from the carry-forward provisions of this subsection.

(f)(1) The Chief Fiscal Officer of the State may remove any inactive funds other than those funds or fund accounts established by law upon determination that the funds have no appropriations or outstanding warrants and are therefore inactive, from the financial records of the State of Arkansas and transfer any balances remaining in those funds to the General Revenue Allotment Reserve Fund.

(2) The Chief Fiscal Officer of the State shall notify the Treasurer of State and the Auditor of State of such transactions.

(3) The Chief Fiscal Officer of the State shall report to the Legislative Council and the Joint Budget Committee during the month of November of each even-numbered year the status of all inactive funds, along with his or her recommendation as to the disposition of the funds and balances maintained in them.

(g) The Treasurer of State may transfer funds under this section by direct deposit.

19-20-107. Appropriation for state agencies not provided by General Assembly.

(a) If the appropriation is not provided by the General Assembly for

cash fund expenditures for any state agency pursuant to § 19-4-801 et seq., the state agency shall request a transfer of appropriation from the Chief Fiscal Officer of the State, stating clearly the amount required.

(b) Upon approval of the Chief Fiscal Officer of the State, and after seeking prior review by the Legislative Council or the Joint Budget Committee, the cash fund appropriations shall be established upon the books of the Department of Finance and Administration. Upon request of the state agency and with the approval of the Chief Fiscal Officer of the State, the requested appropriations may be established upon the books of the Department of Finance and Administration in compliance with the applicable classifications of appropriations as enumerated in §§ 19-4-512 — 19-4-516.

CHAPTER 21

FUNDS AND ACCOUNTS GENERALLY

19-21-101. State Apportionment Fund.

(a)(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 fund to be known as the "State Apportionment Fund".

(2) All general revenues and all special revenues, as defined in the Revenue Classification Law, § 19-40-101 et seq., shall be deposited by the Treasurer of State into the State Apportionment Fund, there to be handled and distributed as provided in this *chapter*.

(b) All revenue received by the Treasurer of State by 4:00 p.m. of any normal working day shall be deposited and so credited to the State Apportionment Fund as occurring on that day and shall be deemed to be gross revenues for that respective day. For the purposes of accounting for such revenue, the Treasurer of State shall credit it to the proper fund account of the State Apportionment Fund as created by this section.

19-21-102. General Revenue Fund Account.

(a)(1) 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 account to be known as the "General Revenue Fund Account" of the State Apportionment Fund to which all gross general revenues are to be credited upon receipt of them by the Treasurer of State, there to be distributed as

provided in this section.

(2) The Treasurer of State, with the approval of the Auditor of State and the Chief Fiscal Officer of the State, shall prescribe the procedures and forms required to be used by all governmental units depositing funds into the State Treasury.

(b) At the close of business at 12:00 noon on the last working day of each month, the Treasurer of State shall make the following distributions of the gross general revenues in the General Revenue Fund Account on properly signed forms prescribed by him or her, with the approval of the Auditor of State and the Chief Fiscal Officer of the State:

(1)(A) From such gross general revenues received during each month, the Treasurer of State shall deduct the amounts represented by claims, taxes erroneously paid, uncollected checks, and advance transfers made to the Individual Income Tax Withholding Fund, the Corporate Income Tax Withholding Fund, and the Home Owners Tax Relief Fund from each applicable revenue received during that month and other advance transfers and shall keep a record for accounting purposes.

(B) Advance transfers made during the month to funds or fund accounts from which there are no applicable revenue sources shall be made from gross general revenues received during the month.

(C) The remaining revenue in the General Revenue Fund Account shall be designated as net general revenue; and

(2)(A)(i) If the Budget Stabilization Trust Fund has insufficient balances to make loans to the Individual Income Tax Withholding Fund, the Corporate Income Tax Withholding Fund, and the Home Owners Tax Relief Fund or to any of those funds or fund accounts enumerated in § 19-23-102 to cover refunds or operating requirements during the month, the Chief Fiscal Officer of the State may make advance transfers from the General Revenue Fund Account to those funds to cover the refunds or operating requirements and notify the Treasurer of State of the advance transfers.

(ii) However, the advance transfers to the funds or fund accounts enumerated in § 19-23-102 shall not exceed the anticipated general revenue distribution to the applicable fund or fund account for that month. For calculation purposes only, the Treasurer of State shall add an amount to the net general revenue equal to the advance transfers authorized in this section processed for the current month.

(B) From the net general revenue, after adding the advance transfer, if any, the Treasurer of State shall make the following distributions and shall notify the Auditor of State and the Chief Fiscal Officer of the State:

(i) First, the Treasurer of State shall deduct one percent (1%), which shall be transferred to the Constitutional Officers Fund, as created in § 19-21-105(c). An appropriate percentage of not less than two percent (2%) and not to exceed three percent (3%), as determined from time to time by the Chief Fiscal Officer of the State as being the amount required to support the estimated commitments and expenditures of the State Central Services Fund for the current fiscal year, shall be transferred to the State Central Services Fund, as created in § 19-21-105(e);

(ii) Next, any revenue deposited into the General Revenue Fund Account from the net casino gaming receipts tax under § 5(c) of The Arkansas Casino Gaming Amendment of 2018, Arkansas Constitution, Amendment 100, that exceeds thirty-one million two hundred thousand dollars ($31,200,000) in a fiscal year shall be held in a subaccount to be transferred on the last business day of the fiscal year from the General Revenue Fund Account to the Arkansas Department of Transportation Fund;

(iii)(a) On the last business day of the fiscal year ending June 30, 2020, and on the last business day of each following fiscal year, the Chief Fiscal Officer of the State shall transfer on his or her books and those of the Treasurer of State and the Auditor of State an amount not to exceed thirty-five million dollars ($35,000,000) from the funds available in the Restricted Reserve Fund and from any other funds designated by the Governor to the Arkansas Department of Transportation Fund.

(b) The amount to be transferred under this subdivision (b)(2)(B)(iii) shall be calculated to provide the total sum of thirty-five million dollars ($35,000,000) to the Arkansas Department of Transportation Fund when combined with the funds transferred in that fiscal year from the General Revenue Fund Account under subdivision (b)(2)(B)(ii) of this section;

(iv) Next, the Treasurer of State shall deduct an amount sufficient to pay for cash rebates which have been paid or approved for payment during the current month upon applications filed therefor as authorized in §§ 26-51-601 — 26-51-608 [repealed] and deduct an amount

sufficient to pay for refunds made during that month to taxpayers from overpayment of the income tax as certified by the Chief Fiscal Officer of the State and transfer that amount to the Individual Income Tax Withholding Fund, Corporate Income Tax Withholding Fund, and Home Owners Tax Relief Fund, as applicable;

(v)(a) Next, the Secretary of the Department of Finance and Administration shall certify the amount distributed to the General Revenue Fund Account from the sales tax and the special privilege tax on medical marijuana under § 17(c) of the Arkansas Medical Marijuana Amendment of 2016, Arkansas Constitution, Amendment 98, for the month.

(b) The Treasurer of State shall then deduct an amount equal to the amount certified under subdivision (b)(2)(B)(v)(a) of this section from the General Revenue Fund Account and transfer the amount to the Restricted Reserve Fund to be used to address food insecurity and health needs; and

(vi) The remaining revenue, known as general revenues available for distribution, in the General Revenue Fund Account shall be distributed as provided by this *subtitle* to the various funds and fund accounts as created and established in § 19-22-101 et seq. and to any other fund or fund account as may be authorized by law. The Treasurer of State, after distributing the general revenues available for distribution due each fund or fund account, shall deduct the amount of any advance transfers made during the month from the distribution to each applicable fund or fund account.

(c)(1) In determining the percentage to be deducted from net general revenues as authorized in this section, the Chief Fiscal Officer of the State shall take into consideration all revenues accruing to the benefit and fund balances of the General Revenue Fund Account, as well as estimated expenditures and commitments for the year from the State Central Services Fund.

(2) In estimating the expenditures and commitments for the year, the Chief Fiscal Officer of the State shall use the estimates obtained from the agencies to which appropriations were made from the State Central Services Fund.

(d) After determining the percentage deduction required to meet the obligations and commitments as set out in subsection (c) of this section, the

Chief Fiscal Officer of the State shall obtain approval from the Legislative Council.

(e)(1) It shall remain the jurisdiction of each state agency to determine from which appropriations made payable from the General Revenue Fund Account the reductions in spending will be made to meet their estimated expenditure and commitment level, and each state agency shall notify the Chief Fiscal Officer of the State of its proposed plan of expenditures.

(2) A state agency may revise its spending plan from time to time as long as the total of the expenditures by the state agency from the General Revenue Fund Account does not exceed the amount determined by the Chief Fiscal Officer of the State and shall notify the Chief Fiscal Officer of the State of the proposed revisions.

(3) This subsection does not require any purchasing or budget decision currently authorized by law for an elected constitutional officer or staff of a constitutional officer to be transferred to the Chief Fiscal Officer of the State.

(f) The Chief Fiscal Officer of the State shall ensure that the expenditures from the State Central Services Fund do not in any year exceed the resources available to the General Revenue Fund Account. The Chief Fiscal Officer of the State shall set up the appropriate safeguards on the expenditures and obligations from the General Revenue Fund Account.

(g) In order that the General Assembly may be made aware of potential problems as early as possible, the Department of Finance and Administration shall report on the financial condition of the State Central Services Fund to the Legislative Council and to the Legislative Joint Auditing Committee monthly in such detail as may be required.

19-21-103. Special Revenue Fund Account.

(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 fund account to be known as the “Special Revenue Fund Account” of the State Apportionment Fund to which all gross special revenues are to be credited upon their receipt by the Treasurer of State, there to be distributed as provided in this section.

(b) At the close of books at 12:00 noon on the last working day of each month, the Treasurer of State shall make the following distributions of

the gross special revenues in the account on properly signed forms prescribed by him or her, with the approval of the Auditor of State and the Chief Fiscal Officer of the State:

(1) From the gross special revenues received during each month, the Treasurer of State shall deduct the amounts represented by claims, taxes erroneously paid, and uncollected checks from the applicable revenues received during that month and shall keep a record of such for accounting purposes. The remaining revenue in the account shall be designated as net special revenues; and

(2)(A) The Treasurer of State shall then deduct the same percentage as determined to be deducted from net general revenues in § 19-21-102 and be transferred under the same procedures as set forth in § 19-21-102 from each net special revenue collected by any of those agencies enumerated in § 19-21-105(b) and one-half (½) of the percentage deductions set out in § 19-21-102 and transferred in the same proportion to the State Central Services Fund and the Constitutional Officers Fund, from each net special revenue collected by any other department, board, agency, or commission.

(B) The Treasurer of State shall then transfer the remaining net special revenues to the proper fund or fund account as designated by law and shall notify the Auditor of State and the Chief Fiscal Officer of the State of the transfers and distributions on forms approved by the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State.

19-21-104. Revenue Holding Fund Account.

(a)(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 fund account to be known as the “Revenue Holding Fund Account” of the State Apportionment Fund to which all taxes, licenses, fees, penalties, interest, or other income that, at the time of being deposited with the Treasurer of State, cannot be determined to be either special or general revenues or if any of the revenues were erroneously paid as nonrevenues, there to be distributed or transferred as provided in this section.

(2) Revenues credited to the Revenue Holding Fund Account that are determined to be general revenues shall be transferred as gross general revenues to the General Revenue Fund Account. Those revenues determined to be

special revenues shall be transferred as gross special revenues to the Special Revenue Fund Account as soon as that determination is made by the Treasurer of State. However, all such transfers shall be made on or before June 30 of the fiscal year during which the revenues were deposited with the Treasurer of State.

(b) If it is determined by the Chief Fiscal Officer of the State that moneys credited to the Revenue Holding Fund Account must be transferred, due to a worsening financial position of the benefiting agencies of such revenues, to the Special Revenue Fund Account or to the General Revenue Fund Account before the final determination of their classification can be made, then the Chief Fiscal Officer of the State may request the Treasurer of State to transfer to the appropriate fund account of the State Apportionment Fund from the Revenue Holding Fund Account an amount equal to no more than eighty percent (80%) of the estimated general or special revenues in the Revenue Holding Fund Account.

19-21-105. Constitutional Officers Fund and State Central Services Fund.

(a) The elected constitutional officers and their departments of government as established by the Arkansas Constitution and certain state departments and employees of state departments are known and recognized as performing and rendering, either individually or collectively, services to every other state agency. The General Assembly declares that the services rendered are embraced under or by one (1) or more of the items or agencies as follows:

(1) Services rendered by the legislative, judicial, and executive departments of the state as recognized by the Arkansas Constitution;

(2) Services rendered by the Chief Fiscal Officer of the State for management of the state's resources relating to general fiscal affairs, administering the budget, accounting, purchasing, personnel, and other applicable fiscal laws; and

(3) Those agencies supported from the State Central Services Fund, which collect the general revenue and special revenues as defined in the Revenue Classification Law, § 19-40-101 et seq., or such other laws as may be enacted by the General Assembly.

(b)(1) Those departments and activities of the state which perform the services as set out in subdivision (a)(1) of this section are declared to be the following:

(A) The General Assembly, including State Capitol renovation of the General Assembly quarters, Senate and House of Representatives legislative session staff, interim expenses incurred by members of the Senate and House of Representatives, and the appropriations contained in the general appropriation bill made for services of the General Assembly;

(B) The Governor;

(C) The Lieutenant Governor;

(D) The Secretary of State;

(E) The Attorney General;

(F) The Treasurer of State;

(G) The Commissioner of State Lands;

(H) The Auditor of State;

(I) The Supreme Court;

(J) The Court of Appeals; and

(K) The circuit courts and prosecuting attorneys.

(2) Those agencies and activities of the state which perform the services as set out in subdivisions (a)(2) and (3) of this section are declared to be the following:

(A) Senate and House of Representatives interim staff;

(B) The Bureau of Legislative Research, and interim committee and interim committee study expenses of the Legislative Council;

(C) Arkansas Legislative Audit;

(D) The Secretary of State;

(E) Office of Administrative Services of the Department of Finance and Administration and Revenue Division of the Department of Finance and Administration;

(F) The Administrative Office of the Courts;

(G) The Office of the Prosecutor Coordinator;

(H) The Arkansas Governor's Mansion Commission;

(I) The Arkansas State Claims Commission; and

(J) Other activities supporting the legislative, executive, and judicial departments.

(c)(1)(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 fund to be known as the "Constitutional Officers Fund", there to be used for the maintenance, operation, and improvements of those departments and activities as set out in subdivision (b)(1) of this section unless specific and separate funds are otherwise provided therefor.

(B) The Constitutional Officers Fund shall consist of:

(i) One-third (⅓) of the amount produced from the three percent (3%) deduction from the net general revenue deposited into the State Treasury;

(ii) One-third (⅓) of the amount produced from the three percent (3%) deduction from the net special revenues collected and deposited into the State Treasury by the agencies set out in subsection (b) of this section; and

(iii) One-third (⅓) of the amount produced from the one and one-half percent (1.5%) deduction from the net special revenues collected and deposited into the State Treasury by any other state agency, department, board, commission, or institution.

(C)(i) Any balance which remains in the Constitutional Officers Fund at the end of a fiscal year which exceeds seven percent (7%) of the anticipated obligations from the Constitutional Officers Fund for the fiscal year just ended or which is estimated to be available for the fiscal year may be transferred from time to time to the State Central Services Fund for use in the next fiscal year.

(ii) If the funds transferred to the State Central Services Fund are based on an estimated balance which is less than the actual balance on June 30, the difference shall be transferred to the State Central Services Fund on or before August 1.

(iii) If the funds transferred to the State Central Services Fund are based on an estimated balance which is higher than the actual balance on June 30, the difference shall be transferred from the State Central Services Fund to the Constitutional Officers Fund on or before August 1.

(2) The Constitutional Officers Fund shall also be used to allow the payment of claims for judges due to overpayments into the Arkansas Judicial Retirement System prior to the enactment of §§ 24-6-204 and 24-8-201

— 24-8-211 by transfer to the Judges Retirement Fund in such amounts as may be appropriated by the General Assembly.

(d)(1) Facts before the General Assembly drawn from statistical computations, comparisons, and related data, taken over a period of many years in the past, are conclusive of the proposition that the cost of the services rendered by the agencies set out in subsection (b) of this section have amounted to not less than three percent (3%) of the total general revenues and special revenues as defined in the Revenue Classification Law, § 19-40-101 et seq.

(2) It is therefore declared to be the policy of the State of Arkansas that every agency supported in whole or in part from the general revenues or special revenues deposited into the State Treasury shall contribute to the support of the services rendered by the agencies set out in subsection (b) of this section.

(3) The purposes for which the taxes, licenses, or fees and other income defined to be general revenues or special revenues are raised and collected shall be deemed to include the services as defined in this section.

(e)(1)(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 fund to be known as the "State Central Services Fund", there to be used for the maintenance, operation, and improvements of those agencies and activities as set out in subdivision (b)(2) of this section unless specific and separate funds are otherwise provided therefor.

(B) The State Central Services Fund shall consist of:

(i) Those special revenues as specified in § 19-42-201(9), (11), (19), (21), (37), (75), (76), (77), (78), (79), (82), (83), (84), (85), (86), (87), (88), (89), (91), (96), (116), (118), (120), (124), (149), (188), (231), (244), (246), (247), (266), and (267) and eight percent (8%) of those special revenues as set out in § 19-42-201(20) of the Revenue Classification Law, § 19-40-101 et seq.;

(ii) The amount produced from the deduction from the net general revenues deposited into the State Treasury;

(iii) The amount produced from the deduction from the net special revenues collected and deposited into the State Treasury by the agencies set out in subsection (b) of this section;

(iv) The amount produced from the deduction from the net special revenues collected and deposited into the State Treasury by any other state agency, department, board, commission, or institution;

(v) All earnings and income collected by any of those agencies set out in subsection (b) of this section;

(vi) Funds received from federal funds on account of indirect cost reimbursement collected under a statewide indirect cost allocation plan and paid to any of the agencies set out in subsection (b) of this section;

(vii) Any other funds received from the United States Government granted specifically to the agencies as set out in subsection (b) of this section, unless otherwise required by the grantor federal agency;

(viii) Interest earned on Social Security trust funds which are remitted to the Arkansas Public Employees' Retirement System and held in banks until transmitted to the Social Security Administration;

(ix) Reimbursements by transfer from the Ad Valorem Tax Fund on account of expenditures made to Arkansas Legislative Audit;

(x) Such general revenues as may be provided by the General Assembly;

(xi) One and one-half percent (1.5%) of those cash funds of those state agencies as defined in § 19-21-106;

(xii) Such fund balances as may exist on June 30, 1995, in the Public Defender Fund [repealed] and all such funds as may accrue to and be transferred from the Public Defender Fund [repealed] by the Treasurer of State on the last day of each month;

(xiii) Moneys transferred or deposited from the State Administration of Justice Fund for the benefit of the Arkansas Public Defender Commission;

(xiv) Public defender attorney's fees to be used solely to defray costs for the Arkansas Public Defender Commission as set out in § 5-4-303(g)(2)(A);

(xv) Public defender user fees to be used to defray the costs of the public defender system, § 16-87-213;

(xvi) That portion of nonrefundable fees charged by bail bond companies for the Arkansas Public Defender Commission, § 17-19-

301(e);

(xvii) The first one hundred thousand dollars ($100,000) collected in taxes and penalties under § 26-26-1614 and deposited as nonrevenue receipts during each fiscal year for use by the Revenue Division of the Department of Finance and Administration, § 26-26-1616; and

(xviii) Revenues from the real property transfer tax distributed under § 26-60-112(b)(2)(B)(i).

(2) If required to help meet the commitments of the State Central Services Fund and if funds are determined to be available, the Chief Fiscal Officer of the State may transfer a sum not to exceed four million dollars ($4,000,000) during any fiscal year from the Budget Stabilization Trust Fund to the State Central Services Fund.

(3)(A) After all other deductions and transfers from other sources authorized by law have been made available to the State Central Services Fund, the Chief Fiscal Officer of the State shall transfer such additional amounts as may be required from the General Revenue Fund Account to the State Central Services Fund to fully finance the expenditures and obligations from the appropriations set out in this section.

(B)(i) The amount of the transfer shall be determined by subtracting the total of all estimated expenditures from the State Central Services Fund from the total resources available to the State Central Services Fund without a transfer of general revenue.

(ii) Then the result shall be multiplied by the proportion that the estimated expenditures for the budgets as set out in subdivision (e)(3)(C) of this section bears to the total of all the estimated expenditures from the State Central Services Fund.

(iii) The product shall be the amount of general revenue required to meet the expenditures and commitments of the agencies and budget set out in subdivision (e)(3)(C) of this section.

(C) The appropriations to which this subdivision (e)(3) applies are determined to be the:

(i) House of Representatives;

(ii) Senate;

(iii) Arkansas Legislative Audit;

(iv) Bureau of Legislative Research;

(v) Bureau of Legislative Research — Disbursing

Officer;

(vi) Court of Appeals;

(vii) Administrative Office of the Courts — Operations;

(viii) Supreme Court;

(ix) Governor;

(x) Lieutenant Governor;

(xi) Attorney General;

(xii) Auditor of State — Operations;

(xiii) Commissioner of State Lands;

(xiv) Secretary of State;

(xv) Treasurer of State;

(xvi) Department of Finance and Administration — Division of Administrative Services:

(a) Director's Office;

(b) Director's Office — Office of Economic Analysis and Tax Research;

(c) Office of Accounting;

(d) Office of Budget; and

(e) Office of Administrative Services — Office of Information Services; and

(xvii) Department of Finance and Administration — Revenue Division.

(D) The Chief Fiscal Officer of the State shall notify the disbursing officers of the appropriations from the State Central Services Fund not enumerated in subdivision (e)(3)(C) of this section of the amount of their portion of any reduction required from their authorized appropriations in order to maintain the State Central Services Fund with a projected positive balance.

(E) Funds or appropriations for that particular disbursing agency enumerated in subdivision (e)(3)(C) of this section shall not be affected if a deficit occurs in other State Central Services Fund appropriations or funds not enumerated in subdivision (e)(3)(C) of this section for that particular disbursing agency.

19-21-106. Service charges against state agencies.

(a)(1) As used in this section, "state agency" includes all boards, commissions, departments, agencies, institutions, offices, or officers, and any other office or unit of the State of Arkansas created pursuant to law or pursuant to any action of the Governor, functioning under appropriation of the General Assembly or functioning as a representative of the State of Arkansas without appropriation of the General Assembly.

(2) As used in this section, "state agency" does not include the:

(A) Department of Education and any of its divisions, community colleges and branches thereof, universities and branches thereof, technical colleges, technical institutes, postsecondary vocational-technical schools, and comprehensive lifelong learning centers;

(B) Office of the Commissioner of State Lands; or

(C) Department of Parks, Heritage, and Tourism.

(b)(1) Each state agency whose annual income or revenue as reflected by the previous fiscal year's audit exceeds twenty-five thousand dollars ($25,000), shall remit by check on the first day of each calendar quarter to the Treasurer of State an amount equal to one and five-tenths percent (1.5%) of the total expenditures of the previous calendar quarter from those cash funds as defined under § 19-4-801, excluding funds received from the United States Government or those held in trust by the state agency or those funds of the various state retirement systems. Funds received by the Division of Arkansas Heritage from voluntary donations are also excluded.

(2) If a state agency elects to deposit its cash funds into the State Treasury under the provisions of § 19-4-503, then the amount required under this section shall be transferred from the state agency's treasury fund to the State Central Services Fund.

(c) The Treasurer of State shall deposit each check as a nonrevenue receipt to the credit of the State Central Services Fund in order to provide financial support for certain required administrative functions of state government.

19-21-107. Certain sales and use taxes not subject to deduction, transfer, or distribution.

The sales and use taxes levied under Arkansas Constitution, Amendment 91, § 3, and Arkansas Constitution, Amendment 101, § 2, are not subject to deduction, transfer, or distribution to the Constitutional Officers Fund or

the State Central Services Fund under §§ 19-21-102, 19-21-103, and 19-21-105.

CHAPTER 22
GENERAL REVENUE OPERATING FUNDS AND FUND ACCOUNTS

19-22-101. Funds and fund accounts — Generally.

There are created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State the general revenue operating funds and fund accounts in this *chapter* which shall be used only for those purposes as set out in this *chapter*. These funds shall consist of the governmental revenues as set out in this *chapter*.

19-22-102. State General Government Fund.

The State General Government Fund shall consist of the following fund accounts and funds made available for the support of the various departments of government as set out below and shall be used for the same purposes as set out for the following fund accounts:

(1) Division of Correction Inmate Care and Custody Fund Account.

(A) The Division of Correction Inmate Care and Custody Fund Account shall be used for the maintenance, operation, and improvement of the Division of Correction required in carrying out those powers, functions, and duties relating to nonfarm or crop-producing programs as established by law.

(B) The Division of Correction Inmate Care and Custody Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by the inmate care and custody program;

(iii) Excess farm profits as may be provided by law; and

(iv) Any other funds provided by law, including federal reimbursements received for eligible expenditures by the various programs of the Division of Correction from appropriations made payable from the Division of Correction Inmate Care and Custody Fund Account;

(2) Department of the Military Fund Account.

(A) The Department of the Military Fund Account shall be used for the maintenance, operation, and improvement of the Department of the Military required in carrying out the powers, functions, and duties as set out in the Military Code of Arkansas, Title 12, Chapters 60-64, or other duties imposed by law upon the State Militia, Department of the Military, and the Arkansas Wing of the Civil Air Patrol, which was separated from the Department of Public Safety [abolished] by Acts 1981, No. 45, §§ 4 and 5.

(B) The Department of the Military Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by the Department of the Military; and

(iii) Any other funds as may be provided by law.

(C) Federal reimbursement funds received on account of eligible expenditures by the State Militia or the Department of the Military shall be deposited into the Special Military Fund established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State, there to be used as may be provided by law;

(3) Parks and Tourism Fund Account.

(A) The Parks and Tourism Fund Account shall be used for the maintenance, operation, and improvement required by the Department of Parks, Heritage, and Tourism as created by § 25-43-1301, or other duties imposed by law upon the State Parks Division and the Tourism Division, the State Parks, Recreation, and Travel Commission, or upon any state park of Arkansas.

(B) The Parks and Tourism Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by the various divisions of the State Parks Division and the Tourism Division; and

(iii) Any other funds that may be provided by law.

(C) Funds received by the various state parks under the direction of the Department of Parks, Heritage, and Tourism which are not required to be deposited into the State Treasury shall be deposited into

banks, there to be disbursed as may be appropriated by the General Assembly or to be used as may be otherwise provided by law;

(4) Division of Environmental Quality Fund Account.

(A) The Division of Environmental Quality Fund Account shall be used for the maintenance, operation, and improvement required by the Division of Environmental Quality in carrying out the powers, functions, and duties as set out in Title 8, Chapters 1-10, or other duties imposed by law.

(B) The Division of Environmental Quality Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Such funds received from the Arkansas State Game and Fish Commission and from the Oil and Gas Commission as may be provided by law;

(iii) Nonrevenue income derived from services provided by the Division of Environmental Quality; and

(iv) Any other funds provided by law;

(5) Arkansas Economic Development Commission Fund Account.

(A) The Arkansas Economic Development Commission Fund Account shall be used for the maintenance, operation, and improvement required by the Arkansas Economic Development Commission and the Arkansas Economic Development Council in carrying out the powers, functions, and duties as set out in §§ 15-4-101, 15-4-102, 15-4-201 — 15-4-204, 15-4-206, 15-4-209 — 15-4-212, 15-4-501 — 15-4-524, and 15-10-201 — 15-10-206, or other duties imposed by law upon the Arkansas Economic Development Commission or the Arkansas Energy Office of the Division of Environmental Quality.

(B) The Arkansas Economic Development Commission Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services performed by the various divisions of the Arkansas Economic Development Council; and

(iii) Any other funds that may be provided by law;

(6) Division of Higher Education Fund Account.

(A) The Division of Higher Education Fund Account shall be used for the maintenance, operation, and improvement required by the Division

of Higher Education in carrying out the duties imposed by law upon the Arkansas Higher Education Coordinating Board or the Commission on Coordination of Educational Finance, which was transferred to the Arkansas Higher Education Coordinating Board and to the Department of Higher Education, under the provisions of § 25-7-101.

(B) The Division of Higher Education Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Federal reimbursement on account of eligible expenditures made by the Division of Higher Education;

(iii) Nonrevenue income derived from services provided by the Division of Higher Education; and

(iv) Any other funds provided by law.

(C) Proceeds derived from the repayment of loans, grants, or scholarships funded by the Higher Education Grants Fund Account shall be deposited into the State Treasury fund from which it originated;

(7) Department of Labor and Licensing Fund Account.

(A) The Department of Labor and Licensing Fund Account shall be used for the maintenance, operation, and improvement required by the Department of Labor and Licensing in carrying out those powers, functions, and duties imposed by law upon the Secretary of the Department of Labor and Licensing or the Department of Labor and Licensing, or upon the State Mine Inspector as set out in § 11-7-201 et seq., or any other duties that may be imposed by law upon the Department of Labor and Licensing which was transferred to the Department of Labor and Licensing by § 25-12-101 [repealed].

(B) The Department of Labor and Licensing Fund Account shall consist of:

(i) Those general revenues as may be provided by law; and

(ii) Any other funds as may be provided by law, including federal reimbursement received on account of eligible expenditures by the various programs of the Department of Labor and Licensing operating from and having appropriations made payable from the Department of Labor and Licensing Fund Account;

(8) Livestock and Poultry Fund Account.

(A) The Livestock and Poultry Fund Account shall be used for the maintenance, operation, and improvement of the Arkansas Livestock and Poultry Commission, which was separated from the Department of Commerce [abolished] by Acts 1981, No. 867, § 1, in carrying out the functions, powers, and duties as set out in § 2-33-101 et seq., or other duties imposed by law upon the Arkansas Livestock and Poultry Commission.

(B) The Livestock and Poultry Fund Account shall consist of:

(i) Those general revenues as may be provided by law; and

(ii) Any other funds provided by law;

(9) Miscellaneous Agencies Fund Account.

(A) The Miscellaneous Agencies Fund Account may be used for the state's membership in regional or national associations, grants to certain organizations, and maintenance, operations, and improvements of appropriation units as may be authorized by the General Assembly.

(B) The Miscellaneous Agencies Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by the various agencies and programs funded from the Miscellaneous Agencies Fund Account;

(iii) Federal reimbursement received on account of eligible expenditures of the various agencies and programs receiving primary support from the Miscellaneous Agencies Fund Account;

(iv) Those special revenues as specified in subdivision (233) and that portion of subdivision (201) in § 19-42-201 of the Revenue Classification Law, § 19-40-101 et seq.;

(v) That portion of forfeited registration fees for beer kegs sold for off-site consumption; and

(vi) Civil penalties paid or recovered as set out in § 2-24-108(d)(2).

(C) If there are not sufficient funds available in the Miscellaneous Agencies Fund Account to support the amounts appropriated from the Miscellaneous Agencies Fund Account, the Chief Fiscal Officer of the

State shall determine the amount of moneys to be made available for each of the appropriations made from the Miscellaneous Agencies Fund Account, after having first provided full funding for all national and regional association dues;

(10) Division of Arkansas Heritage Fund Account.

The Division of Arkansas Heritage Fund Account shall consist of those general revenues as provided by law for the Division of Arkansas Heritage and shall be used for the maintenance, operation, and improvement of the Division of Arkansas Heritage;

(11) Higher Education Grants Fund Account.

(A) The Higher Education Grants Fund Account shall be used for the:

(i) State's contribution for tuition support for Arkansas students attending out-of-state schools in dentistry, optometry, veterinary, podiatry, osteopathy, and chiropractic; and

(ii)(a) Disbursement of funds for the Arkansas Academic Challenge Scholarship Program and other various scholarship, loan, and grant programs as authorized by law and administered by the Division of Higher Education or other state agencies made disbursing agents by the General Assembly from the Higher Education Grants Fund Account.

(b) Disbursement of additional funds allocated for the Arkansas Academic Challenge Scholarship Program under this subdivision (11)(A)(ii) shall account for the distribution of up to two million dollars ($2,000,000) by the Division of Higher Education on behalf of students who are enrolled in a technical institute or a vocational-technical institute.

(B) The Higher Education Grants Fund Account shall consist of transfers from the Private Career School Student Protection Trust Fund under § 6-51-607 and those general revenues and any other funds as may be provided by law;

(12) Division of Community Correction Fund Account.

(A) The Division of Community Correction Fund Account shall be used for the maintenance, operation, and improvement of the Division of Community Correction required in carrying out those powers, functions, and duties as established by law.

(B) The Division of Community Correction Fund Account

shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by the probation, parole, post-release supervision, and community correction program; and

(iii) Any other funds provided by law, including federal reimbursements received for eligible expenditures by the various programs of the Division of Correction from appropriations made payable from the Division of Community Correction Fund Account;

(13) Department of Agriculture Fund Account.

(A) The Department of Agriculture Fund Account shall be used for the maintenance, operation, and improvement required by the Department of Agriculture in carrying out those powers, functions, and duties imposed by law upon the Secretary of the Department of Agriculture as set out in Title 25, Chapter 38, or any other duties that may be imposed by law upon the Department of Agriculture which were transferred to the Department of Agriculture under the provisions of §§ 25-38-206 and 25-38-211.

(B) The Department of Agriculture Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by the various divisions of the Department of Agriculture;

(iii) Federal reimbursement received on account of eligible expenditures by the various programs of the Department of Agriculture operating from and having appropriations made payable from the Department of Agriculture Fund Account; and

(iv) Any other funds as may be provided by law.

19-22-103. Institutions of higher education funds.

(a) University of Arkansas Fund.

(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 fund to be known as the “University of Arkansas Fund”.

(2) The University of Arkansas Fund shall be used for the

maintenance, operation, and improvement of the University of Arkansas, including the University of Arkansas at Fayetteville, the Arkansas Cooperative Extension Service, the Arkansas Agricultural Experiment Station, the Graduate Institute of Technology, the Arkansas Archeological Survey, and for such other related and miscellaneous programs as may be provided by law.

(3) The University of Arkansas Fund shall consist of:

(A) Those general revenues that may be provided by law;

(B) Those special revenues as set out in § 19-42-201(45), § 19-42-201(229), and § 19-42-201(232); and

(C) Funds received from the Budget Stabilization Trust Fund as authorized by § 19-24-101.

(b) University of Arkansas Medical Center Fund.

(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 fund to be known as the "University of Arkansas Medical Center Fund".

(2) The University of Arkansas Medical Center Fund is to be used for the maintenance, operation, and improvement of the University of Arkansas for Medical Sciences and its various divisions and programs, including the area health education centers and physician extender programs.

(3) The University of Arkansas Medical Center Fund shall consist of:

(A) Those general revenues as may be provided by law;

(B) Those special revenues as set out in § 19-42-201(224); and

(C) Any other funds made available for the support of the University of Arkansas for Medical Sciences which are required to be deposited into the State Treasury.

(c) University of Arkansas at Little Rock Fund.

(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 fund to be known as the "University of Arkansas at Little Rock Fund".

(2) The University of Arkansas at Little Rock Fund shall be used for the maintenance, operation, and improvement of the Little Rock campus of the University of Arkansas and its various divisions and programs, including the Arkansas Economic Development Institute.

(3) The University of Arkansas at Little Rock Fund shall consist

of:

(A) Those general revenues as may be provided by law;

(B) Those special revenues as set out in § 19-42-201(229); and

(C) Any other funds made available for the support of the University of Arkansas at Little Rock which are required to be deposited into the State Treasury by law.

(d) University of Arkansas at Monticello Fund.

(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 fund to be known as the "University of Arkansas at Monticello Fund".

(2) The University of Arkansas at Monticello Fund shall be used for the maintenance, operation, and improvement of the Monticello campus of the University of Arkansas and its various divisions, the University of Arkansas at Monticello College of Technology-Crossett, and the University of Arkansas at Monticello College of Technology-McGehee.

(3) The University of Arkansas at Monticello Fund shall consist of:

(A) Those general revenues as may be provided by law;

(B) The June 30, 2003, balances in the Forest Echoes Technical Institute Fund Account and the Great Rivers Comprehensive Lifelong Learning Center Fund Account; and

(C) Any other funds made available for the support of the University of Arkansas at Monticello which are required to be deposited into the State Treasury by law.

(e) University of Arkansas at Pine Bluff Fund.

(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 fund to be known as the "University of Arkansas at Pine Bluff Fund".

(2) The University of Arkansas at Pine Bluff Fund shall be used for the maintenance, operation, and improvement of the Pine Bluff campus of the University of Arkansas.

(3) The University of Arkansas at Pine Bluff Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of the

University of Arkansas at Pine Bluff and its various divisions, including the special teacher training program, which are required to be deposited into the State Treasury by law.

(f) Arkansas State University Fund.

(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 fund to be known as the "Arkansas State University Fund".

(2) The Arkansas State University Fund shall be used for the maintenance, operation, and improvement of Arkansas State University.

(3) The Arkansas State University Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of Arkansas State University which are required to be deposited into the State Treasury by law.

(g) Arkansas State University – Beebe Fund.

(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 fund to be known as the "Arkansas State University – Beebe Fund".

(2) The Arkansas State University – Beebe Fund shall be used for the maintenance, operation, and improvement of Arkansas State University-Beebe, including Arkansas State Technical Institute, Arkansas State University-Searcy, and Arkansas State University-Heber Springs.

(3) The Arkansas State University – Beebe Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of Arkansas State University-Beebe which are required to be deposited into the State Treasury by law.

(h) Arkansas Tech University Fund.

(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 fund to be known as the "Arkansas Tech University Fund".

(2) The Arkansas Tech University Fund shall be used for the maintenance, operation, and improvement of Arkansas Tech University.

(3) The Arkansas Tech University Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of

Arkansas Tech University which are required to be deposited into the State Treasury by law.

(i) Henderson State University Fund.

(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 fund to be known as the "Henderson State University Fund".

(2) The Henderson State University Fund shall be used for the maintenance, operation, and improvement of Henderson State University, including the nursing program.

(3) The Henderson State University Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of Henderson State University which are required to be deposited into the State Treasury by law.

(j) Southern Arkansas University Fund.

(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 fund to be known as the "Southern Arkansas University Fund".

(2) The Southern Arkansas University Fund shall be used for the maintenance, operation, and improvement of Southern Arkansas University.

(3) The Southern Arkansas University Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of Southern Arkansas University and its programs which are required to be deposited into the State Treasury by law.

(k) University of Central Arkansas Fund.

(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 fund to be known as the "University of Central Arkansas Fund".

(2) The University of Central Arkansas Fund shall be used for the maintenance, operation, and improvement of the University of Central Arkansas.

(3) The University of Central Arkansas Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of the University of Central Arkansas which are required to be deposited into the

State Treasury by law.

(l) University of Arkansas at Fort Smith Fund.

(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 fund to be known as the "University of Arkansas at Fort Smith Fund".

(2) The University of Arkansas at Fort Smith Fund shall be used for the maintenance, operation, and improvement of the University of Arkansas at Fort Smith.

(3) The University of Arkansas at Fort Smith Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of the University of Arkansas at Fort Smith which are required to be deposited into the State Treasury by law.

(m) North Arkansas College Fund.

(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 fund to be known as the "North Arkansas College Fund".

(2) The North Arkansas College Fund shall be used for the maintenance, operation, and improvement of North Arkansas College.

(3) The North Arkansas College Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of North Arkansas College which are required to be deposited into the State Treasury by law.

(n) East Arkansas Community College Fund.

(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 fund to be known as the "East Arkansas Community College Fund".

(2) The East Arkansas Community College Fund shall be used for the maintenance, operation, and improvement of East Arkansas Community College.

(3) The East Arkansas Community College Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of East Arkansas Community College which are required to be deposited into the State

Treasury by law.

(o) Arkansas Northeastern College Fund.

(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 fund to be known as the "Arkansas Northeastern College Fund".

(2) The Arkansas Northeastern College Fund shall be used for the maintenance, operation, and improvement of Arkansas Northeastern College.

(3) The Arkansas Northeastern College Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of Arkansas Northeastern College which are required to be deposited into the State Treasury by law.

(p) Phillips Community College of the University of Arkansas Fund.

(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 fund to be known as the "Phillips Community College of the University of Arkansas Fund".

(2) The Phillips Community College of the University of Arkansas Fund shall be used for the maintenance, operation, and improvement of Phillips Community College of the University of Arkansas, including the Stuttgart and DeWitt campuses.

(3) The Phillips Community College of the University of Arkansas Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of Phillips Community College of the University of Arkansas which are required to be deposited into the State Treasury by law.

(q) University of Arkansas Community College at Rich Mountain Fund.

(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 fund to be known as the "University of Arkansas Community College at Rich Mountain Fund".

(2) The University of Arkansas Community College at Rich Mountain Fund shall be used for the maintenance, operation, and improvement of the University of Arkansas Community College at Rich Mountain.

(3) The University of Arkansas Community College at Rich Mountain Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of the University of Arkansas Community College at Rich Mountain which are required to be deposited into the State Treasury by law.

(r) Northwest Arkansas Community College Fund.

(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 fund to be known as the "Northwest Arkansas Community College Fund".

(2) The Northwest Arkansas Community College Fund shall be used for the maintenance, operation, and improvement of Northwest Arkansas Community College.

(3) The Northwest Arkansas Community College Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of Northwest Arkansas Community College which are required to be deposited into the State Treasury by law.

(s) South Arkansas College Fund.

(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 fund to be known as the "South Arkansas College Fund".

(2) The South Arkansas College Fund shall be used for the maintenance, operation, and improvement of South Arkansas College.

(3) The South Arkansas College Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of South Arkansas College, which are required to be deposited into the State Treasury by law.

(t) SAU-Tech Fund.

(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 fund to be known as the "SAU-Tech Fund".

(2) The SAU-Tech Fund shall be used for the maintenance, operation, and improvement of SAU-Tech, the Arkansas Fire Training Academy, and the Arkansas Environmental Training Academy.

(3) The SAU-Tech Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of SAU-Tech and its programs which are required to be deposited into the State Treasury by law.

(u) Arkansas State University Mid-South Fund.

(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 fund to be known as the "Arkansas State University Mid-South Fund".

(2) The Arkansas State University Mid-South Fund shall be used for the maintenance, operation, and improvement of Arkansas State University Mid-South.

(3) The Arkansas State University Mid-South Fund shall consist of:

(A) Those general revenues as may be provided by law;

(B) Those special revenues as set out in § 19-42-201; and

(C) Any other funds made available for the support of Arkansas State University Mid-South which are required to be deposited into the State Treasury by law.

(v) University of Arkansas Community College at Hope-Texarkana Fund.

(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 fund to be known as the "University of Arkansas Community College at Hope-Texarkana Fund".

(2) The University of Arkansas Community College at Hope-Texarkana Fund shall be used for the maintenance, operation, and improvement of the University of Arkansas Community College at Hope-Texarkana.

(3) The University of Arkansas Community College at Hope-Texarkana Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of the University of Arkansas Community College at Hope-Texarkana which are required to be deposited into the State Treasury by law.

(w) University of Arkansas Community College at Batesville Fund.

(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 fund to be known as the "University of Arkansas Community College at Batesville Fund".

(2) The University of Arkansas Community College at Batesville Fund shall be used for the maintenance, operation, and improvement of the University of Arkansas Community College at Batesville.

(3) The University of Arkansas Community College at Batesville Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of the University of Arkansas Community College at Batesville which are required to be deposited into the State Treasury by law.

(x) Arkansas State University — Newport Fund.

(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 fund to be known as the "Arkansas State University — Newport Fund".

(2) The Arkansas State University — Newport Fund shall be used for the maintenance, operation, and improvement of Arkansas State University — Newport.

(3) The Arkansas State University — Newport Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of Arkansas State University — Newport which are required to be deposited into the State Treasury by law.

(y) Cossatot Community College of the University of Arkansas Fund.

(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 fund to be known as the "Cossatot Community College of the University of Arkansas Fund".

(2) The Cossatot Community College of the University of Arkansas Fund shall be used for the maintenance, operation, and improvement of Cossatot Community College of the University of Arkansas.

(3) The Cossatot Community College of the University of Arkansas Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of Cossatot Community College of the University of Arkansas which are required to be deposited into the State Treasury by law.

(z) University of Arkansas Community College at Morrilton Fund.

(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 fund to be known as the "University of Arkansas Community College at Morrilton Fund".

(2) The University of Arkansas Community College at Morrilton Fund shall be used for the maintenance, operation, and improvement of the University of Arkansas Community College at Morrilton.

(3) The University of Arkansas Community College at Morrilton Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of the University of Arkansas Community College at Morrilton which are required to be deposited into the State Treasury by law.

(aa) Arkansas State University-Mountain Home Fund.

(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 fund to be known as the "Arkansas State University-Mountain Home Fund".

(2) The Arkansas State University-Mountain Home Fund shall be used for the maintenance, operation, and improvement of Arkansas State University-Mountain Home.

(3) The Arkansas State University-Mountain Home Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of Arkansas State University-Mountain Home which are required to be deposited into the State Treasury by law.

(bb) National Park College Fund.

(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 fund to be known as the "National Park College Fund".

(2) The National Park College Fund shall be used for the maintenance, operation, and improvement of National Park College.

(3) The National Park College Fund shall consist of:

(A) Those general revenues transferred each month from the Garland County Community College Fund [repealed];

(B) The June 30, 2003, balances in the Garland County Community College Fund [repealed]; and

(C) Any other funds made available for the support of National Park College which are required to be deposited into the State Treasury by law.

(cc) School for Math, Sciences, and Arts Fund.

(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 fund to be known as the "School for Math, Sciences, and Arts Fund".

(2) The School for Math, Sciences, and Arts Fund shall be used to provide for the maintenance, operation, and improvement required by the Arkansas School for Mathematics, Sciences, and the Arts in carrying out its powers, functions, and duties as set out by law.

(3) The School for Math, Sciences, and Arts Fund shall consist of:

(A) Moneys allocated and transferred from the Educational Excellence Trust Fund;

(B) Any general revenues as may be provided under this *subtitle*; and

(C) Any other moneys as may be authorized by law.

(dd) Ozarka College Fund.

(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 fund to be known as the "Ozarka College Fund".

(2) The Ozarka College Fund shall be used for the maintenance, operation, and improvement of Ozarka College.

(3) The Ozarka College Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of Ozarka College which are required to be deposited into the State Treasury by law.

(ee) Southeast Arkansas College Fund.

(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 fund to be known as the "Southeast Arkansas College Fund".

(2) The Southeast Arkansas College Fund shall be used for the maintenance, operation, and improvement of Southeast Arkansas College.

(3) The Southeast Arkansas College Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of Southeast Arkansas College which are required to be deposited into the State Treasury by law.

(ff) Arkansas State University Three Rivers Fund.

(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 fund to be known as the "Arkansas State University Three Rivers Fund".

(2) The Arkansas State University Three Rivers Fund shall be used for the maintenance, operation, and improvement of the Arkansas State University Three Rivers.

(3) The Arkansas State University Three Rivers Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of the Arkansas State University Three Rivers which are required to be deposited into the State Treasury by law.

19-22-104. Education Fund.

The Education Fund shall consist of the following funds and fund accounts made available for the support of the Division of Elementary and Secondary Education, the Division of Career and Technical Education, the Adult Education Section, and the Office of Skills Development, and shall be used for the same purposes as set out for the following fund accounts:

(1) Division of Elementary and Secondary Education Fund Account.

(A) The Division of Elementary and Secondary Education Fund Account shall be used to provide for the maintenance, operation, and improvement of the Division of Elementary and Secondary Education created in § 25-6-102, and any other laws imposing functions, powers, and duties upon the State Board of Education, the Division of Elementary and Secondary Education, and the Commissioner of Elementary and Secondary Education, including, but not necessarily limited to, history textbooks expenses, the Publishing Revolving Account, audio-visual services, textbooks operation, compact for education, including the state's membership, and the state's contribution to the Southern Regional Education Board.

(B) The Division of Elementary and Secondary Education

Fund Account shall consist of:

(i) Those general revenues as may be provided by the Revenue Stabilization Law, § 19-20-101 et seq.; and

(ii) Nonrevenue income derived from services provided by those programs supported from the Division of Elementary and Secondary Education Fund Account, including any rental property located on the State Capitol grounds owned by the Division of Elementary and Secondary Education;

(2) Division of Career and Technical Education Fund Account.

(A) The Division of Career and Technical Education Fund Account shall be used to provide support for those programs placed under the direction of the Director of the Division of Career and Technical Education as authorized by §§ 6-11-101, 6-11-102, 25-6-101, 25-6-102, and Acts 1981, No. 64, § 4, and any other laws imposing functions, powers, and duties upon the State Board of Education with respect to career and technical education, including without limitation the following:

(i) Vocational, technical, and adult education;

(ii) Adult basic education;

(iii) Manpower training;

(iv) Vocational standards;

(v) Industry training programs; and

(vi) Those functions, programs, and responsibilities transferred to the Division of Career and Technical Education, the Adult Education Section, and the Office of Skills Development, as authorized by these statutes.

(B) The Division of Career and Technical Education Fund Account shall consist of those general revenues as may be provided by the Revenue Stabilization Law, § 19-20-101 et seq.;

(3) Educational Television Fund Account.

(A) The Educational Television Fund Account shall be used for the maintenance, operation, and improvement required by the Educational Television Division of the Division of Elementary and Secondary Education in carrying out those powers, functions, and duties of the Arkansas Educational Television Commission as set out in § 6-3-101 et seq. or other duties imposed by law upon the Arkansas Educational Television Commission.

(B) The Educational Television Fund Account shall consist

of those general revenues as may be provided by law and nonrevenue income derived from services provided by the Educational Television Division of the Division of Elementary and Secondary Education and any other nonfederal grant funds provided by law;

(4) State Library Fund Account.

(A) The State Library Fund Account shall be used for the maintenance, operation, and improvement required by the Library Division of the Department of Education in carrying out the powers, functions, and duties as set out in § 13-2-201 et seq. or any other duties imposed by law upon the State Library Commission, which were transferred to the Department of Education by §§ 6-11-101, 6-11-102, and 25-6-102.

(B) The State Library Fund Account shall consist of those general revenues as may be provided by law and nonrevenue income derived from services provided by the Library Division of the Department of Education and any other nonfederal grant funds provided by law;

(5) School for the Blind Fund Account.

(A) The School for the Blind Fund Account shall be used for the maintenance, operation, and improvement required by the Arkansas School for the Blind in carrying out those powers, functions, and duties as set out in § 6-43-101 et seq. and § 6-43-201 et seq.

(B) The School for the Blind Fund Account shall consist of those general revenues as may be provided by law and nonrevenue income derived from services provided by the Arkansas School for the Blind and any other nonfederal grant funds provided by law.

(C) Federal reimbursement funds received on account of vocational education programs conducted by the Arkansas School for the Blind shall not be deposited into the School for the Blind Fund Account;

(6) School for the Deaf Fund Account.

(A) The School for the Deaf Fund Account shall be used for the maintenance, operation, and improvement required by the Arkansas School for the Deaf in carrying out the powers, functions, and duties as set out in § 6-43-301 et seq. or other duties imposed by law upon the Arkansas School for the Deaf, which were transferred to the Department of Education by §§ 6-11-101, 6-11-102, and 25-6-102.

(B) The School for the Deaf Fund Account shall consist of those general revenues as may be provided by law and nonrevenue income

derived from services provided by the Arkansas School for the Deaf and any other nonfederal grant funds provided by law.

(C) Federal reimbursement funds received on account of vocational education programs conducted by the Arkansas School for the Deaf shall not be deposited into the School for the Deaf Fund Account;

(7) Rehabilitation Services Fund Account.

(A) The Rehabilitation Services Fund Account shall be used for the maintenance, operation, and improvement required by Arkansas Rehabilitation Services in carrying out the powers, functions, and duties as set out in § 6-52-101 et seq., the Rehabilitation Act of Arkansas, § 20-79-201 et seq., and § 25-30-201 et seq., and for the program for adults with disabilities at the Arkansas Health Center.

(B) The Rehabilitation Services Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by rehabilitation programs of Arkansas Rehabilitation Services; and

(iii) Any other nonfederal grant funds provided by law;

(8) Technical Institute and Other Education Fund Accounts. The Northwest Technical Institute Fund Account shall be used for the maintenance, operation, and improvement of Northwest Technical Institute. The Northwest Technical Institute Fund Account shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of Northwest Technical Institute which are required to be deposited into the State Treasury by law;

(9) Educational Facilities Partnership Fund Account.

(A) The Educational Facilities Partnership Fund Account shall be used for distribution of grants for programs providing academic school facility and transportation assistance to the public school districts as may be provided by law.

(B) The Educational Facilities Partnership Fund Account shall consist of:

(i) Those general revenues as may be provided by

law;

(ii) Moneys transferred from the Development and Enhancement Fund; and

(iii) Any other moneys as may be provided by law;

(10) Division of Public School Academic Facilities and Transportation Fund Account.

(A) The Division of Public School Academic Facilities and Transportation Fund Account shall be used for the maintenance, operation, and improvement required by the Division of Public School Academic Facilities and Transportation as may be provided by law.

(B) The Division of Public School Academic Facilities and Transportation Fund Account shall consist of:

(i) Those general revenues as may be provided by law; and

(ii) Any other funds made available for the support of the Division of Public School Academic Facilities and Transportation;

(11) Child Care Grant Fund Account.

(A) The Child Care Grant Fund Account shall be used for the Child Care Grant program to consist of general revenues and any other nonfederal funds, as may be appropriated by the General Assembly.

(B) Federal reimbursement received by the Department of Education shall be deposited into separate funds on the books of the Treasurer of State; and

(12) Child Care and Early Childhood Education Fund Account.

(A) The Child Care and Early Childhood Education Fund Account shall be used for:

(i) The maintenance, operation, and improvement required by the Division of Child Care and Early Childhood Education in carrying out those functions, powers, and duties as set out in the Childcare Facility Licensing Act, § 20-78-201 et seq.; and

(ii) Carrying out other duties imposed by law upon the Division of Child Care and Early Childhood Education.

(B) The Child Care and Early Childhood Education Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by the Division of Child Care and Early Childhood Education; and

(iii) Any other nonfederal grant-in-aid funds provided by law.

19-22-105. Public School Fund.

(a) The Public School Fund shall consist of the following fund accounts and funds made available for the support of the Division of Elementary and Secondary Education, the Arkansas State Library, and the Division of Career and Technical Education and shall be used for the same purposes as set out for the following fund accounts:

(1) Division of Elementary and Secondary Education Public School Fund Account. The Division of Elementary and Secondary Education Public School Fund Account shall be used for grants and aids for the programs administered by the Division of Elementary and Secondary Education as authorized by law;

(2) Division of Career and Technical Education Public School Fund Account. The Division of Career and Technical Education Public School Fund Account shall be used for grants and aids for the programs administered by the Division of Career and Technical Education, the Adult Education Section, and the Office of Skills Development, consisting of, but not limited to:

(A) General adult education grants;

(B) Adult basic education grants;

(C) Manpower development and training grants;

(D) Vocational-technical and adult education; and

(E) Such other grants and aids as may be authorized by law for disbursement by the Division of Career and Technical Education, the Adult Education Section, and the Office of Skills Development; and

(3) State Library Public School Fund Account. The State Library Public School Fund Account shall be used for State Aid to Public Libraries as administered by the Arkansas State Library.

(b) The Public School Fund shall consist of those moneys as may be provided by:

(1) The Revenue Stabilization Law, § 19-20-101 et seq.;

(2) Any federal mineral leasing funds, federal forest reserve

funds, federal flood control funds, or any other similar turnback funds in the State Treasury for which the eligible county or school district cannot be identified;

(3) Fines collected pursuant to § 6-21-410 under the Free Textbook Act of 1975, § 6-21-401 et seq.;

(4) Funds remitted by county treasurers for those school districts which have local revenue per student in excess of the local base per student, as set out in § 26-80-101(c);

(5) Amusement machine revenues up to and including thirty thousand dollars ($30,000), as set out in § 26-57-407;

(6) Twenty-five percent (25%) of additional rental vehicle tax revenues under § 26-63-302, to be used exclusively for teacher salaries; and

(7) Such other funds as may be authorized by law.

(c)(1) There is authorized a transfer of up to two hundred thousand dollars ($200,000) per year from the Public School Fund to the Division of Elementary and Secondary Education Fund Account or the Division of Career and Technical Education Fund Account, or a portion thereof to both, by the Treasurer of State and the Chief Fiscal Officer of the State, upon certification as to the amount required by the Commissioner of Elementary and Secondary Education or by the Director of the Division of Career and Technical Education, or both, to the Chief Fiscal Officer of the State.

(2) This transfer shall be used to provide additional support for the administration of the program for children with disabilities and the vocational-technical and adult education program.

19-22-106. Department of Human Services Fund.

The Department of Human Services Fund shall consist of the following fund accounts and funds made available for the support of the Department of Human Services and shall be used for the same purposes as set out for the following fund accounts:

(1) Behavioral Health Services Fund Account.

(A) The Behavioral Health Services Fund Account shall be used for the maintenance, operation, and improvement required by the Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services in carrying out the powers, functions, and duties, as set out in § 20-46-101 et seq. and § 25-10-101 et seq., or other duties imposed by law

upon the Arkansas State Hospital.

(B) The Behavioral Health Services Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by the Arkansas State Hospital;

(iii) Federal reimbursement received on account of eligible expenditures;

(iv) Paying patient fees and other funds as may be provided by law;

(v) Funds received from local sources for community program matching; and

(vi) Funds received from the Division of Medical Services;

(2) Developmental Disabilities Services Fund Account.

(A) The Developmental Disabilities Services Fund Account shall be used for the maintenance, operation, and improvement required by the Division of Developmental Disabilities Services in carrying out the powers, functions, and duties, as set out in § 20-48-101 et seq. and § 25-10-101 et seq., and all laws amendatory thereto, or other duties imposed by law upon the human development centers or the Board of Developmental Disabilities Services.

(B) The Developmental Disabilities Services Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived by services provided by the human development centers;

(iii) Funds received from local sources to provide matching for community developmental disabilities services programs; and

(iv) Reimbursement received from the Division of Medical Services;

(3) Medical Services Fund Account.

(A) The Medical Services Fund Account shall be used for the maintenance, operation, and improvement required by the Division of

Medical Services in carrying out the powers, functions, and duties as set out in § 20-76-101 et seq. and § 25-10-101 et seq., including the support and administration costs of the expanded Medical Services Program of the Division of Medical Services for the working poor in Arkansas.

(B) The Medical Services Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by the Division of Medical Services;

(iii) Federal reimbursement received on account of eligible expenditures for the administration of medical services programs;

(iv) Funds derived from fees collected pursuant to the provisions of §§ 20-10-213 — 20-10-228 to be used for the maintenance and operation of the long-term care facility licensure program of the Division of Medical Services; and

(v) Any other nonfederal grant funds provided by law.

(C) Other federal reimbursement funds received by the Division of Medical Services shall be deposited into a separate federal reimbursement fund on the books of the Treasurer of State;

(4) Youth Services Fund Account.

(A) The Youth Services Fund Account shall be used for the maintenance, operation, and improvement required by the Division of Youth Services in carrying out the powers, functions, and duties as set out in § 9-28-201 et seq., including serious offender and community-based programs and the youth service centers.

(B) The Youth Services Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by the various programs of the Division of Youth Services; and

(iii) Any other nonfederal grants-in-aid funds provided by law.

(C) Other federal reimbursement received by the Division of Youth Services shall be deposited into a separate federal reimbursement fund on the books of the Treasurer of State, including those received on

account of eligible expenditures of the youth service centers' vocational education programs;

(5) Children and Family Services Fund Account.

(A) The Children and Family Services Fund Account shall be used for the maintenance, operation, and improvement required by the Division of Children and Family Services in carrying out those functions, powers, and duties as set out in § 25-10-101 et seq.

(B) The Children and Family Services Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by the Division of Children and Family Services; and

(iii) Any other nonfederal grant-in-aid funds provided by law;

(6) Department of Human Services Administration Fund Account.

(A) The Department of Human Services Administration Fund Account shall be used for the maintenance, operation, and improvement required by the office of the Secretary of the Department of Human Services in carrying out the administrative duties and shared business services of the Department of Human Services as set out in and under the restrictions and provisions of § 20-46-301 and § 25-10-101 et seq.

(B) The Department of Human Services Administration Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by these divisions of the Department of Human Services; and

(iii) Any other funds, including reimbursement for costs incurred by these divisions from the various other Department of Human Services' divisions from nongeneral revenue sources, as may be required and provided by law;

(7) Aging and Adult Services Fund Account.

(A) The Aging and Adult Services Fund Account shall be used for the maintenance, operation, and improvement required by the Division of Aging, Adult, and Behavioral Health Services of the Department of Human

Services in carrying out the powers, functions, and duties as imposed by law, and § 25-10-101 et seq., upon the Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services.

(B) The Aging and Adult Services Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Fifty percent (50%) of those special revenues as specified in § 19-42-201(201), there to be used to assist the Meals on Wheels America program, and any other special revenues as may be provided by law;

(iii) Nonrevenue income derived from services provided by the Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services;

(iv) Federal reimbursement received on account of eligible expenditures of the Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services; and

(v) The first three million dollars ($3,000,000) each year of the net revenues derived from the additional cigarette tax levied in § 26-57-802, to be used exclusively for transportation services benefiting the elderly, including the Meals on Wheels America program;

(8) County Operations Fund Account.

(A) The County Operations Fund Account shall be used for the maintenance, operation, and improvement required by the Division of County Operations in carrying out the powers, functions, and duties as set out in § 25-10-102.

(B) The County Operations Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by the various programs of the Division of County Operations;

(iii) Any other nonfederal grants-in-aid funds provided by law;

(iv) Funds received from the Division of Elementary and Secondary Education for surplus commodities; and

(v) Federal reimbursement received on account of

eligible expenditures of the Division of County Operations.

(C) Other federal reimbursement funds received by the Division of County Operations shall be deposited into a separate federal reimbursement fund on the books of the Treasurer of State;

(9) Department of Human Services Grants Fund Account.

(A) The Department of Human Services Grants Fund Account shall be used for the following grant programs to consist of general revenues and any other nonfederal funds, as may be appropriated by the General Assembly:

(i) Children's Medical Services;

(ii) Supplemental Nutrition Assistance Employment and Training Program;

(iii) Aid to the Aged, Blind, and Disabled;

(iv) Transitional Employment Assistance Program;

(v) Private nursing home care;

(vi) Infant Infirmary – nursing home care;

(vii) Public Nursing Home Care;

(viii) Prescription drugs;

(ix) Hospital and Medical Services;

(x) Child Health and Family Life Institute;

(xi) Community Services Block Grant Program;

(xii) ARKids First Program; and

(xiii) Child health management services.

(B) Federal reimbursement received by the Department of Human Services shall be deposited into separate funds on the books of the Treasurer of State;

(10) Long-Term Care Facility Receivership Fund Account.

(A) The Long-Term Care Facility Receivership Fund Account shall be used for paying the expenses of receivers appointed under the Arkansas Long-Term Care Facility Receivership Law, § 20-10-901 et seq., as administered and disbursed under the direction of the Secretary of the Department of Human Services.

(B) The Long-Term Care Facility Receivership Fund Account shall consist of:

(i) Those general revenues and such other funds as may be provided by law; and

(ii) The balance in the Long-Term Care Facility Receivership Fund Account which remains at the end of a fiscal year; and

(11) Provider Services and Quality Assurance Fund Account.

(A) The Provider Services and Quality Assurance Fund Account shall be used for the maintenance, operation, and improvement required by the Division of Provider Services and Quality Assurance in carrying out its powers, functions, and duties.

(B) The Provider Services and Quality Assurance Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by the Division of Provider Services and Quality Assurance;

(iii) Federal reimbursement received on account of eligible expenditures for the administration of medical services programs or other programs; and

(iv) Any other nonfederal grant funds provided by law.

19-22-107. Public Health Fund.

(a) The Public Health Fund shall be used for the maintenance, operation, and improvement required by the regional health centers and the various divisions of the Department of Health in carrying out the powers, functions, and duties as set out in § 20-7-102 et seq. or other duties imposed by law upon:

(1) The Department of Health;

(2) The Secretary of the Department of Health;

(3) The State Board of Health; and

(4) The Secretary of the State Board of Health, or the State Health Officer, whose office was transferred under § 25-9-101 [repealed] to the Department of Health.

(b) The Public Health Fund shall consist of:

(1) Those special revenues as set out in § 19-42-201(41), (65), (68), (69), (80), (97), (131), (133), (136), (137), (140), (141), (142), (143), (144), (147), (155), (166), (177), (194), (204), and that portion of § 19-42-201(58) of the Revenue Classification Law, § 19-40-101 et seq.;

(2) General revenues as may be provided by law;

(3) Nonrevenue income derived from services provided by the various divisions of the Department of Health;

(4) Federal reimbursement received on account of eligible expenditures by the various divisions of the Department of Health;

(5) Other funds as may be provided by law;

(6) Moneys transferred or deposited from the State Administration of Justice Fund to support alcoholism treatment programs and for use in the drug abuse prevention and treatment program of the Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services;

(7) Amusement machine revenues over thirty thousand dollars ($30,000), as set out in § 26-57-407; and

(8) Criminal, civil, and administrative penalties collected under the Arkansas Lead-Based Paint-Hazard Act of 2011, § 20-27-2501 et seq.

19-22-108. Water, Sewer, and Solid Waste Systems Revolving Fund.

(a) A special fund to be known as the "Water, Sewer, and Solid Waste Systems Revolving Fund" is created to provide a depository for funds that may be appropriated or otherwise secured for the purposes of matching or supplementing federal grants and loans.

(b) The Water, Sewer, and Solid Waste Systems Revolving Fund shall be used to provide low interest loans to cities, towns, counties, and other eligible applicants.

(c) Funds from the repayment of loans made from the Water, Sewer, and Solid Waste Systems Revolving Fund shall return to the Water, Sewer, and Solid Waste Systems Revolving Fund and shall be reloaned in a manner that is consistent with the purposes of this section.

19-22-109. Black River Technical College Fund and University of Arkansas — Pulaski Technical College Fund.

(a)(1) The Black River Technical College Fund shall be used for the maintenance, operation, and improvement of Black River Technical College.

(2) The Black River Technical College Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of

Black River Technical College that are required to be deposited into the State Treasury by law.

(b)(1) The University of Arkansas – Pulaski Technical College Fund shall be used for the maintenance, operation, and improvement of University of Arkansas – Pulaski Technical College.

(2) The University of Arkansas – Pulaski Technical College Fund shall consist of:

(A) Those general revenues as may be provided by law; and

(B) Any other funds made available for the support of the University of Arkansas – Pulaski Technical College that are required to be deposited into the State Treasury by law.

19-22-110. State Services for the Blind Fund.

(a) The State Services for the Blind Fund shall be used for the maintenance, operation, and improvement required by the Division of State Services for the Blind in carrying out the powers, functions, and duties as set out in § 25-11-201 et seq. or other duties imposed by law upon the division.

(b) The State Services for the Blind Fund shall consist of:

(1) Those general revenues provided by law;

(2) Nonrevenue income derived from services provided by programs of the division; and

(3) Any other nonfederal grant funds provided by law.

CHAPTER 23
DISTRIBUTION OF GENERAL REVENUES

19-23-101. Allocations for Fiscal Year 2024-2025 and thereafter.

Commencing with the fiscal year beginning July 1, 2024, and each fiscal year thereafter, the Treasurer of State shall transfer all remaining general revenues available for distribution on the last day of business in July 2024, and on the last day of business in each calendar month thereafter during the fiscal year to the various funds and fund accounts participating in general revenues in the proportions of the maximum allocation as the individual allocation to the fund or fund account bears to the total of the maximum allocation as provided in § 19-23-102.

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

(11) Child Care Grant Fund Account $ 7,056,193
(12) Child Care and Early Childhood Education Fund Account $ 2,589,553
Technical Institutes:
(13) Northwest Technical Institute Fund Account $ 3,308,152

DEPARTMENT OF HUMAN SERVICES FUND
(1) Department of Human Services Administration Fund Account $ 24,518,586
(2) Children and Family Services Fund Account $ 139,333,393
(3) Youth Services Fund Account $ 48,980,104
(4) Developmental Disabilities Services Fund Account $ 65,603,057
(5) Medical Services Fund Account $ 2,442,596
(6) Department of Human Services Grants Fund Account $ 1,389,725,705
(7) Behavioral Health Services Fund Account $ 103,643,589
(8) Provider Services and Quality Assurance Fund Account $ 5,515,977
(9) County Operations Fund Account $ 57,419,886

STATE GENERAL GOVERNMENT FUND
(1) Division of Arkansas Heritage Fund Account $ 7,755,838
(2) Department of Agriculture Fund Account $ 19,479,187
(3) Department of Labor and Licensing Fund Account $ 3,909,567
(4) Division of Higher Education Fund Account $ 11,989,758
(5) Higher Education Grants Fund Account $ 40,619,625
(6) Arkansas Economic Development Commission Fund Account $ 21,339,734
(7) Division of Correction Inmate Care and Custody Fund Account $ 434,873,587
(8) Division of Community Correction Fund Account $ 105,311,074
(9) Department of the Military Fund Account $ 10,109,327
(10) Parks and Tourism Fund Account $ 22,082,257
(11) Division of Environmental Quality Fund Account $ 4,202,841
(12) Miscellaneous Agencies Fund Account $ 78,026,413

COUNTY AID FUND $ 21,428,616
COUNTY JAIL REIMBURSEMENT FUND $ 25,765,944
CRIME INFORMATION SYSTEM FUND $ 2,186,443

CHILD SUPPORT ENFORCEMENT FUND $ 13,288,801
PUBLIC HEALTH FUND $ 81,954,072
PERFORMANCE FUND $ -
MOTOR VEHICLE ACQUISITION REVOLVING FUND $ -
MUNICIPAL AID FUND $ 29,372,099
DIVISION OF ARKANSAS STATE POLICE FUND $ 92,596,808
DIVISION OF WORKFORCE SERVICES FUND-NEW HIRE REGISTRY $ 150,000
DIVISION OF WORKFORCE SERVICES FUND-ADULT EDUCATION $ 1,026,253
STATE SERVICES FOR THE BLIND FUND $ 1,972,456
SKILLS DEVELOPMENT FUND $ 3,608,348
ARKANSAS CHILDREN'S EDUCATIONAL FREEDOM ACCOUNT FUND $ 97,487,318
SUSTAINABLE BUILDING MAINTENANCE PROGRAM FOR STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION REVOLVING LOAN FUND $ 4,555,985

INSTITUTIONS OF HIGHER EDUCATION
(1) ARKANSAS STATE UNIVERSITY FUND $ 62,150,956
(2) ARKANSAS TECH UNIVERSITY FUND $ 36,356,050
(3) HENDERSON STATE UNIVERSITY FUND $ 18,832,354
(4) SOUTHERN ARKANSAS UNIVERSITY FUND $ 16,861,877
(5) UNIVERSITY OF ARKANSAS FUND $ 134,584,010
(6) UNIVERSITY OF ARKANSAS FUND-UA SYSTEM $ 3,479,474
(7) UNIVERSITY OF ARKANSAS FUND-ARCHEOLOGICAL SURVEY $ 2,369,274
(8) UNIVERSITY OF ARKANSAS FUND-DIVISION OF AGRICULTURE $ 65,800,138
(9) UNIVERSITY OF ARKANSAS FUND-CLINTON SCHOOL $ 2,336,896
(10) UNIVERSITY OF ARKANSAS FUND-CRIMINAL JUSTICE INSTITUTE $ 2,458,634
(11) SCHOOL FOR MATH, SCIENCES, AND ARTS FUND $ 1,133,048
(12) UNIVERSITY OF ARKANSAS AT FORT SMITH FUND $ 21,045,824
(13) UNIVERSITY OF ARKANSAS AT LITTLE ROCK FUND $ 60,049,349
(14) UNIVERSITY OF ARKANSAS MEDICAL CENTER FUND $ 93,012,881
(15) UNIVERSITY OF ARKANSAS MEDICAL CENTER FUND - CHILD ABUSE/RAPE/DOMESTIC VIOLENCE $ 350,000
(16) UNIVERSITY OF ARKANSAS MEDICAL CENTER FUND - PEDIATRICS/PSYCHIATRIC RESEARCH $ 1,985,100
(17) UNIVERSITY OF ARKANSAS MEDICAL CENTER FUND - INDIGENT CARE $ 5,438,340

(18) UNIVERSITY OF ARKANSAS AT MONTICELLO FUND $ 16,696,750

(19) UNIVERSITY OF ARKANSAS AT PINE BLUFF FUND $ 21,902,693

(20) UNIVERSITY OF ARKANSAS AT PINE BLUFF FUND - 1890 LAND GRANT STATE MATCH $ 5,800,000

(21) UNIVERSITY OF CENTRAL ARKANSAS FUND $ 56,013,219

(22) ARKANSAS NORTHEASTERN COLLEGE FUND $ 8,765,839

(23) ARKANSAS STATE UNIVERSITY - BEEBE FUND $ 11,356,380

(24) ARKANSAS STATE UNIVERSITY - MOUNTAIN HOME FUND $ 3,695,854

(25) ARKANSAS STATE UNIVERSITY - NEWPORT FUND $ 6,559,812

(26) COSSATOT COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS FUND $ 3,757,578

(27) EAST ARKANSAS COMMUNITY COLLEGE FUND $ 8,749,489

(28) ARKANSAS STATE UNIVERSITY MID-SOUTH FUND $ 4,013,696

(29) ARKANSAS STATE UNIVERSITY MID-SOUTH FUND - ADTEC $ 1,527,000

(30) NATIONAL PARK COLLEGE FUND $ 9,040,569

(31) NORTH ARKANSAS COLLEGE FUND $ 7,605,726

(32) NORTHWEST ARKANSAS COMMUNITY COLLEGE FUND $ 11,649,679

(33) PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS FUND $ 8,923,812

(34) UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN FUND $ 3,546,964

(35) SAU-TECH FUND $ 5,530,868

(36) SAU-TECH FUND-ENVIRONMENTAL TRAINING ACADEMY $ 375,036

(37) SAU-TECH FUND-FIRE TRAINING ACADEMY $ 1,780,943

(38) SOUTH ARKANSAS COLLEGE FUND $ 6,084,362

(39) UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT BATESVILLE FUND $ 4,406,596

(40) UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE-TEXARKANA FUND $ 4,647,636

(41) UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON FUND $ 5,089,458

(42) BLACK RIVER TECHNICAL COLLEGE FUND $ 6,321,306

(43) ARKANSAS STATE UNIVERSITY THREE RIVERS FUND $ 3,381,360

(44) OZARKA COLLEGE FUND $ 3,248,284

(45) UNIVERSITY OF ARKANSAS - PULASKI TECHNICAL COLLEGE FUND $ 14,765,510

(46) SOUTHEAST ARKANSAS COLLEGE FUND $ 5,354,958

19-23-103. Authority of Treasurer of State.

The Treasurer of State, in calculating the proportionate share of the maximum allocation to determine the monthly distribution of net general revenues available for distribution for each fund or fund account, as authorized in this *chapter*, shall compute the calculation of five (5) digits to the right of the decimal point, "rounded off". In the event the Treasurer of State shall determine that there are errors in any of the totals of the respective funds or fund accounts for which distributions are authorized in this *chapter*, the maximum allocation authorized for each fund and fund account within each subsection shall govern with respect to the allocation to be made to those funds and fund accounts. The Treasurer of State is authorized to correct errors in totals thereof, as reflected in this *chapter*, prior to computing the calculations of the proportionate share of the maximum allocations to be determined in making monthly distributions of net general revenues available for distribution for each fund or fund account, as authorized within the respective priorities set forth in this *chapter*.

19-23-104. Transfer of remaining revenues.

(a) After making the maximum annual allocation as provided for in § 19-23-102, the first two hundred million dollars ($200,000,000) shall be distributed as follows:

(1) Seventy-five percent (75%) of the remaining general revenues available for distribution during each fiscal year shall be transferred on the last day of business in each calendar month to the General Revenue Allotment Reserve Fund, there to be used as stated under subsection (b) of this section; and

(2) Twenty-five percent (25%) of the remaining general revenues available for distribution during each fiscal year, but not to exceed fifty million dollars ($50,000,000) each fiscal year, shall be transferred on the last day of business in each calendar month to the Arkansas Department of Transportation Fund.

(b)(1) The Chief Fiscal Officer of the State shall determine whether the balance of the Catastrophic Reserve Fund is twenty percent (20%) of the total amount of general revenue funds last distributed under § 19-23-102.

(2) If the Chief Fiscal Officer of the State determines that the balance of the Catastrophic Reserve Fund is less than twenty percent (20%) of the total amount of general revenue funds last distributed under § 19-23-102, then after the distributions under subsection (a) of this section, any additional revenue, including the distributions under subdivision (a)(1) of this section and any additional revenues in excess of those distributed under subsection (a) of this section, shall be transferred to the Catastrophic Reserve Fund to ensure that the Catastrophic Reserve Fund balance equals but does not exceed twenty percent (20%) of the total amount of general revenue funds last distributed under § 19-23-102.

(3) If it is determined that the balance of the Catastrophic Reserve Fund exceeds twenty percent (20%) of the total amount of general revenue funds last distributed under § 19-23-102, the amount in excess shall remain in the Catastrophic Reserve Fund unless the General Assembly directs otherwise.

(c) Any additional revenues available after the distributions in subsection (b) of this section shall be transferred on the last day of business in each calendar month to the General Revenue Allotment Reserve Fund, there to be used for the respective purposes as provided by law.

CHAPTER 24
BUDGET STABILIZATION TRUST FUND

19-24-101. Budget Stabilization Trust Fund — Creation — Purpose.

(a)(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 fund to be known as the “Budget Stabilization Trust Fund”.

(2) The Budget Stabilization Trust Fund shall consist of funds made available and transferred to it from the Securities Reserve Fund as set out in § 19-26-203, the fund balance and other assets remaining in the State Budget Revolving Fund on June 30, 1987, and any other funds made available by law.

(b) The Budget Stabilization Trust Fund shall be used for the purpose of:

(1)(A) Making temporary loans to those funds and fund accounts as set out in § 19-23-101 et seq., to the Division of Correction Farm Fund

for farm production purposes, to the Division of Correction Prison Industry Fund, to the Department of Parks, Heritage, and Tourism Fund Account, to the Income Tax Refund Fund, to the Gasoline Tax Refund Fund, to the Interstate Motor Fuel Tax Refund Fund, and to the various funds established in the Revenue Classification Law, § 19-40-101 et seq., and any other funds or fund accounts as may be specified elsewhere in this section. The loans made to the funds and fund accounts set out in § 19-23-101 et seq. shall be repaid on or before June 30 of the fiscal year in which the loan is made, except as provided elsewhere in this section.

(B)(i) The loans made to the Division of Correction Farm Fund are to be repaid on or before June 30 of the fiscal year following the fiscal year in which the loan was made after the amount of the outstanding loan made the previous fiscal year has been reduced by the value of farm-produced products produced or processed on the farm that were consumed by inmates and other authorized personnel, in amounts as determined and certified by the Legislative Auditor to the Chief Fiscal Officer of the State.

(ii) Processed beef purchased by the Division of Correction must be labeled as being from the United States.

(iii)(a) The value of products produced or processed on the farm that were consumed by inmates of the Division of Correction or inmates in the custody of the Division of Community Correction and other authorized personnel shall be based upon prices obtained by the Division of Correction and the State Procurement Director for purchasing similar products and quantities on the open market for other state agencies, institutions, and universities.

(b) However, the Chief Fiscal Officer of the State may grant an extension not to exceed sixty (60) days for repayment of loans made to the Division of Correction Farm Fund upon receipt by the Chief Fiscal Officer of the State of a certification by the Director of the Division of Correction that farm-produced products are held in storage or are on hand that exceed in market value the amount of loans that are due, and the Chief Fiscal Officer of the State may grant an additional extension not to exceed sixty (60) days for repayment of the loan made to the Division of Correction Farm Fund, after obtaining the advice of the Legislative Council in regard to a request from the Division of Correction for the additional

sixty-day extension for repayment of the loan.

(iv) Loans made to the Division of Correction Prison Industry Fund for operation expenses shall be repaid on or before June 30 of the fiscal year in which the loan was made, but loans made for the purchase of equipment necessary for implementing the various industries shall be repaid from time to time.

(C)(i) Except as otherwise provided in this subdivision (b)(1)(C), loans made to the Income Tax Refund Fund, to the Gasoline Tax Refund Fund, to the Interstate Motor Fuel Tax Refund Fund, and to those other funds established in the Revenue Classification Law, § 19-40-101 et seq., are to be repaid on the last day of the month of which the loan was made.

(ii) Loans made under subdivision (b)(1)(D) of this section shall be repaid by June 30 of the fiscal year in which the loan was made.

(iii)(a) Loans made to the Department of Human Services Fund during June of any fiscal year for making cash assistance payments to eligible individuals under the Temporary Assistance for Needy Families Program for delivery on or about July 1 of the following fiscal year shall be repaid on or before July 31 of the fiscal year following the fiscal year in which the loan was made.

(b) Loans made to the Department of Human Services for the Developmental Disabilities Services Fund Account and the Behavioral Health Services Fund Account in the last month of a fiscal year for federal reimbursement for Medicaid-eligible services and Medicare-eligible services shall be repaid immediately upon receipt of reimbursement but no later than July 31 of the fiscal year following the fiscal year in which the loan was made.

(D)(i) The maximum amount of funds that may be loaned to the funds established in the Revenue Classification Law, § 19-40-101 et seq., shall be one hundred fifty percent (150%) of the estimated revenues to be deposited into the State Treasury during that month to the credit of the State Apportionment Fund and which will become available to that operating fund at the end of the month, excluding the Division of Correction Farm Fund, the Division of Correction Prison Industry Fund, the Division of Arkansas State Police Fund, and the State Forestry Fund.

(ii) Except with respect to the funds excluded under

this subdivision (b)(1)(D), loans in excess of one hundred percent (100%) shall not be made more than four (4) times per fiscal year per fund.

(iii) Loans and distribution of general revenue funds made to the County Aid Fund and the Municipal Aid Fund are to be made on the basis and to the extent of the funds estimated to be available as stated in § 19-23-102(a) so that an equal monthly distribution of general revenues is made, based upon the Chief Fiscal Officer of the State's monthly forecasts of general revenue distribution.

(E) Temporary loans may be made to the institutions of higher education for operational purposes. In making these loans, the following procedures shall be applicable. The institutions of higher education shall submit requests for loans to both the Commissioner of the Division of Higher Education and the Chief Fiscal Officer of the State setting forth the need for the loan. The requests shall include at least the following:

(i) The current total cash balance of all accounts of the requesting institution's cash funds;

(ii) The reasons why the cash fund balances and their general revenue fund balances are insufficient to meet current obligations;

(iii) The anticipated duration of the loan; and

(iv) A proposed repayment schedule.

(F)(i)(a) The Chief Fiscal Officer of the State and the Commissioner of the Division of Higher Education shall review the request for the loan.

(b) The Commissioner of the Division of Higher Education shall recommend, in writing, the approval or disapproval of the loan and the reasons for the recommendation to the Chief Fiscal Officer of the State.

(c)(1) The Chief Fiscal Officer of the State shall review the institution's request, the funds available in the Budget Stabilization Trust Fund, and the recommendation of the Commissioner of the Division of Higher Education.

(2) The Chief Fiscal Officer of the State may request such additional information as is deemed necessary to make a determination as to whether the request should be approved.

(3) If the Chief Fiscal Officer of the State determines that the request is proper and necessary for the operation of the institution and that sufficient funds are available, the Chief Fiscal Officer of the State shall approve the request and establish a repayment schedule for the loan.

(4) If the Chief Fiscal Officer of the State determines that the loan is not necessary or required, or that funds are not available, the Chief Fiscal Officer of the State shall deny the request.

(5) The Chief Fiscal Officer of the State shall communicate in writing to the institution and to the Commissioner of the Division of Higher Education the reasons for disapproval of the requested loan.

(ii) All loans made to the institutions of higher education under this section shall be repaid in full by June 30 of the fiscal year in which the loan was made.

(iii) If an agency or program is established by the General Assembly that is to be supported solely from other than general revenues or federal funds, the Chief Fiscal Officer of the State may make a temporary loan from the Budget Stabilization Trust Fund to the agency or program to the extent necessary for carrying out the intent of the enabling legislation.

(iv) The amount of the loan shall be determined by the Chief Fiscal Officer of the State, and the loans shall be repaid in full by June 30 of the fiscal year in which the loan was made;

(2) Making transfers to the University of Arkansas Fund on account of interest on the University of Arkansas Endowment Fund of an amount which, when added to the interest earned on the investment of the University of Arkansas Endowment Fund, shall not exceed the sum of six thousand six hundred thirty-three dollars and thirty-four cents ($6,633.34) during any fiscal year;

(3) Making transfers to the Department of the Military Fund Account of the State General Government Fund as established in § 19-22-102(2)(A)-(C) for the purpose of providing reimbursement or immediate funding for expenses incurred by the Department of the Military on behalf of the Arkansas National Guard emergency call-up appropriation;

(4) Making transfers to the Development and Enhancement Fund as established in § 19-27-205 in order to provide supplemental funding for appropriations supported from the Development and Enhancement Fund as may be provided by law;

(5) Providing funding, either in whole or in part, for programs as may be authorized by the General Assembly and which are specified as being funded in whole or in part from the Budget Stabilization Trust Fund;

(6) Making transfers to the Arkansas Department of Transportation Fund as may be authorized by law and making transfers not to exceed one million dollars ($1,000,000) in any one (1) fiscal year to provide the state's proportionate share of each declared emergency or major disaster as required by the federal Disaster Relief Act of 1974;

(7) Making transfers to the Miscellaneous Revolving Fund, as established in § 19-27-209, to provide funding in whole or in part for appropriations made payable from the Miscellaneous Revolving Fund;

(8) Making temporary advances to the various federal accounts of state agencies upon certification of the pending availability of federal funding by the director of the state agency making the request, subject to the following:

(A) The requests shall be limited to those occasions whereby the continued operations of the state agency programs would be seriously impaired and unnecessary hardships would be created due to either administrative oversight, delays by the United States Government in forwarding the moneys, or by problems created by the federal fiscal year conversion; and

(B)(i) Upon receipt of the grant award authorizations or letter of credit documents, the state agency director shall certify to the Chief Fiscal Officer of the State the amounts of temporary advances to be recovered, whereby the Chief Fiscal Officer of the State shall make recovery and notify the Treasurer of State and the Auditor of State of the recovery.

(ii) The temporary advances shall be recovered under subdivision (b)(8)(B)(i) of this section on or before June 30 of the fiscal year in which the temporary advances were made; and

(9) Those functions formerly performed by the State Budget Revolving Fund.

(c)(1) In addition to the purposes for which the Budget Stabilization

Trust Fund may be used as set forth in this section, the Budget Stabilization Trust Fund shall also be used to make temporary loans to the Constitutional Officers Fund and the State Central Services Fund.

(2) Loans made to the Constitutional Officers Fund and the State Central Services Fund under the provisions of this section shall be repaid on or before June 30 of the fiscal year in which the loans are made.

(d)(1)(A) The Chief Fiscal Officer of the State may transfer up to a maximum of four million dollars ($4,000,000) from the Budget Stabilization Trust Fund to the State Central Services Fund, only in those instances when obligations incurred by the State Central Services Fund are estimated to exceed or are actually exceeding estimated or actual available resources.

(B) The transfer shall also be utilized to provide a level of funding, for those appropriations made payable from the State Central Services Fund, equal to the previous year's expenditure or the current year appropriation, whichever is less, in the event that income from all sources does not provide that funding level.

(2) Any transfer made as authorized in this section shall require the review and advice of the Legislative Council prior to the transfer of those funds.

19-24-102. Loans from fund.

(a) The Chief Fiscal Officer of the State shall be guided by the following limitations and procedures in making loans from the Budget Stabilization Trust Fund for the respective purposes for which the loans may be made, as established in this subsection:

(1) State agencies supported solely from special revenues are not eligible to make applications for or receive loans from the Budget Stabilization Trust Fund; and

(2)(A) Moneys deposited into the Budget Stabilization Trust Fund shall not be used to make loans to any state agency without the state agency's first submitting proof of the need for the moneys and submitting justification therefor verifying that other funds or resources are not available to the state agency or cannot be obtained by the state agency from other funds belonging to or available to the state agency.

(B) A loan from the Budget Stabilization Trust Fund shall not be made to a state-supported institution of higher education in an amount

equal to or exceeding eighty-five percent (85%) of its monthly guarantee of general revenues estimated to be available for distribution to the state agency during the month.

(b) An official or employee knowingly submitting false information to the Chief Fiscal Officer of the State in support of any loan from the Budget Stabilization Trust Fund, upon conviction thereof, is guilty of misfeasance in office and shall be removed from the office or position of employment.

(c) The Division of Elementary and Secondary Education shall have no authority to request loans from the Budget Stabilization Trust Fund to provide moneys for distribution to public school districts in this state, nor to write warrants payable from any funds borrowed from the Budget Stabilization Trust Fund, for making monthly payments to school districts in this state earlier than the fifth day before the end of the month.

19-24-103. Work release centers.

(a) The Community Correction Revolving Fund may borrow from the Budget Stabilization Trust Fund for the establishment of new work release centers for the Division of Correction.

(b) Loans under subsection (a) of this section shall be repaid by the end of the fiscal year in which the loans are made.

19-24-104. Loans of anticipated proceeds of Aging and Adult Services Fund Account.

In addition to those purposes for which the Budget Stabilization Trust Fund may be used, the Department of Human Services may borrow from the Budget Stabilization Trust Fund an amount equal to eighty percent (80%) of the anticipated proceeds made available to the Aging and Adult Services Fund Account from nursing home bed license fees. The borrowed amounts shall be transferred to the Aging and Adult Services Fund Account in such amounts and under such restrictions and conditions as are determined to be in the best interest of the state by the Chief Fiscal Officer of the State and, in any event, shall be repaid to the Budget Stabilization Trust Fund in full by June 30 of the year in which the funds were borrowed.

19-24-105. Financial aid programs.

(a) To provide timely payments under financial aid appropriations, the

Chief Fiscal Officer of the State may provide loans from the Budget Stabilization Trust Fund to make available all funds attributable to the financial aid programs under the then current official revenue estimates. If an unanticipated state revenue shortfall occurs, any such loans remaining at the end of a fiscal year shall be repaid from revenues distributed in the first two (2) months of the next fiscal year.

(b) Funds for appropriations for purposes other than financial aid shall not be affected by the application of this section.

CHAPTER 25 — MUNICIPAL AND COUNTY AID FUNDS

19-25-101. Municipal Aid 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 fund to be known as the “Municipal Aid Fund”.

(b) The Municipal Aid Fund shall consist of:

(1) Such general revenues as may be made available to the Municipal Aid Fund by the Revenue Stabilization Law, § 19-20-101 et seq.;

(2) Such special revenues derived from highway user imposts, known as highway revenues, as may be made available to the Municipal Aid Fund for the benefit of municipalities by the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.; and

(3) Those special revenues as specified in § 19-42-201(135) of the Revenue Classification Law, § 19-40-101 et seq.

(c)(1) All of the general revenues and the special revenues shall be distributed within ten (10) days after the close of each calendar month to the respective cities of the first, cities of the second class, and incorporated towns on the basis of population according to the most recent federal decennial or special census.

(2) The amount to be apportioned to each such city or incorporated town is to be in the proportion that each population bears to the total population of all such cities and incorporated towns.

(3) If an annexation occurs, the population of the annexed area, as certified by the United States Bureau of the Census of the United States Department of Commerce, may be added to the most recent federal decennial census or special census of the annexing municipality.

(4)(A) The moneys received by the respective cities and incorporated towns under this section shall be revenues of the year in which received by them and shall not be revenues of the year in which such moneys were collected and paid into the State Treasury.

(B) Of the moneys so received by the respective cities and incorporated towns, the general revenues shall be used for general purposes of municipal government, and the special revenues derived from highway revenues shall be used as provided by the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.

(5)(A) If the Workers' Compensation Commission has paid claims from the Miscellaneous Revolving Fund on account of any municipal employee covered under workers' compensation, the amount shall be deducted from general revenue turnback as provided by §§ 14-26-103 and 14-60-103.

(B) The moneys so deducted shall be transferred to the Miscellaneous Revolving Fund, there to be used as provided by law.

(6) If a municipality incorporates during a year in which a federal decennial census is conducted, then for purposes of this section and until data from a federal decennial census or special census is made available to the municipality, the population of the municipality shall be based on the most recent federal decennial census as calculated by the Arkansas Geographic Information Systems Office.

(d)(1) It is unlawful for the Treasurer of State to distribute any general revenues and special revenues to any cities or incorporated towns in this state that have expended funds belonging to the city or town for the payment of annual membership dues to, or for the purchase of services rendered by, the Arkansas Municipal League or any other league or association of cities in this state unless the books, affairs, and records of such Arkansas Municipal League or other league or association of cities and towns of this state receiving moneys from cities or towns has been audited by Arkansas Legislative Audit or consent for such an audit by Arkansas Legislative Audit has been given by any such league or association.

(2) Arkansas Legislative Audit may audit the books, affairs, and records of the Arkansas Municipal League or any other league or association of cities or incorporated towns in this state, upon request thereof by the appropriate officials of those leagues or associations.

(e) If the United States Bureau of the Census determines that the

population for a municipality is more than was originally certified in the federal decennial census or the population for a municipality was incorrectly assigned to another municipality and a census count correction or a correction to the designated municipality is received from the United States Bureau of the Census by the appropriate officials of the state, the Treasurer of State shall:

(1) Determine the amount of general and special revenue that the municipality should have received based upon the corrected census count; and

(2) Submit the amount of general and special revenue determined under subdivision (e)(1) of this section to the Arkansas State Claims Commission for inclusion in the appropriation bill requested from the General Assembly for approved claims.

19-25-102. County Aid 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 fund to be known as the "County Aid Fund".

(b) The County Aid Fund shall consist of:

(1) The general revenues as may be provided by the Revenue Stabilization Law, § 19-20-101 et seq., to the County Aid Fund;

(2) Such special revenues derived from highway user imposts, known as highway revenues, as may be provided by the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.;

(3) Those special revenues as set out in § 19-42-201(74) and (117) and thirty-four percent (34%) of those special revenues as specified in § 19-42-201(20) of the Revenue Classification Law, § 19-40-101 et seq.; and

(4) Twenty-five percent (25%) of all severance taxes other than those imposed upon saw timber and timber products as set out in § 19-42-201(18) of the Revenue Classification Law, § 19-40-101 et seq.

(c) All of the general revenues and special revenues shall be distributed within ten (10) days after the close of each calendar month to the respective counties as follows:

(1)(A) The general revenues made available to the County Aid Fund by the Revenue Stabilization Law, § 19-20-101 et seq., shall be distributed with seventy-five percent (75%) divided equally among the seventy-five (75) counties of this state and twenty-five percent (25%)

distributed on the basis of population according to the most recent federal decennial census or special census, with each county to receive the proportion that its population bears to the total population of the state.

(B) The moneys so received by the county treasurer shall be credited to the county general fund to be used for general county purposes, unless otherwise appropriated by the quorum court;

(2) The special revenues distributed to the respective counties shall be distributed as may be authorized by law;

(3) All moneys received by the respective counties under this section shall be revenues of the year in which received by them and shall not be revenues of the year in which the moneys were collected and paid into the State Treasury; and

(4)(A) If the Workers' Compensation Commission has paid claims from the Miscellaneous Revolving Fund on account of any county employee covered under workers' compensation, this amount shall be deducted from county general revenue turnback funds as provided by §§ 14-26-103 and 14-60-103.

(B) The moneys so deducted shall be transferred to the Miscellaneous Revolving Fund, there to be used as provided by law.

(d)(1) It is unlawful for the Treasurer of State to distribute any general revenues to any county in this state or any special revenues to any county in this state that has expended funds belonging to the county for the payments of annual membership dues to, or for the purchase of services rendered by, the Association of Arkansas Counties or to any other league or association of counties in this state unless the books, affairs, and records of the Association of Arkansas Counties or other league or association of counties in this state receiving moneys from the counties has been audited by Arkansas Legislative Audit or consent for an audit by Arkansas Legislative Audit has been given by the league or association.

(2) Arkansas Legislative Audit may audit the books of the Association of Arkansas Counties or any other league or association of counties in this state upon request of the Association of Arkansas Counties or other league or association of counties by the appropriate official of the league or association.

(e) Any appropriation provided by the General Assembly for aid to counties may be supplemented, if necessary, by a transfer from an

appropriation provided for unanticipated special revenues.

19-25-103. Overpayments to funds.

(a) If moneys are distributed to the County Aid Fund and the Municipal Aid Fund during any month that are in excess of one-twelfth (1/12) of the amount estimated by the Chief Fiscal Officer of the State to become available to the County Aid Fund and the Municipal Aid Fund during the then-current fiscal year, as certified monthly by the Chief Fiscal Officer of the State to the Treasurer of State, up to a maximum of that set out in § 19-23-102 for the County Aid Fund and the Municipal Aid Fund, there shall be transferred from the County Aid Fund and the Municipal Aid Fund to the Budget Stabilization Trust Fund such amounts as are necessary to repay any loans outstanding from the Budget Stabilization Trust Fund to the County Aid Fund and the Municipal Aid Fund before any distribution of general revenue is made to any county or municipality in this state.

(b) The amount remaining to be distributed after repaying the loans under this section shall not be less than one-twelfth (1/12) of the amount estimated by the Chief Fiscal Officer of the State to become available to the County Aid Fund and the Municipal Aid Fund during the then-current fiscal year or the amount as set out for the County Aid Fund and the Municipal Aid Fund in § 19-23-102, whichever is the lesser.

(c)(1) The amount of moneys to be loaned to the County Aid Fund and the Municipal Aid Fund in any month from the Budget Stabilization Trust Fund shall be determined by the Chief Fiscal Officer of the State after taking into consideration the amount distributed during the prior months in the then-current fiscal year as well as the amounts estimated to be distributed to the County Aid Fund and the Municipal Aid Fund in succeeding months of the then-current fiscal year.

(2) It is the intent of the General Assembly to provide a distribution to the counties and municipalities each month of such general revenue as is available that, together with loans from the Budget Stabilization Trust Fund, will provide as even a flow of moneys as is possible throughout the fiscal year while at the same time maintaining the Budget Stabilization Trust Fund in a strong financial position.

(d) All loans made to the County Aid Fund and the Municipal Aid Fund from the Budget Stabilization Trust Fund shall be repaid by June 30 of the

fiscal year in which the loans were made.

CHAPTER 26
TRUST FUNDS

Subchapter 1. General Provisions [Reserved.]
Subchapter 2. Enumeration of Trust Funds
Subchapter 3. Enumeration of Trust Funds, Continued

Subchapter 1 — General Provisions [Reserved.]

Subchapter 2 — Enumeration of Trust Funds

19-26-201. Corporate Income Tax Withholding 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 “Corporate Income Tax Withholding Fund”.

(b) The Corporate Income Tax Withholding Fund shall consist of those general revenues transferred to the Corporate Income Tax Withholding Fund under § 19-21-101 et seq. and those funds received from the Budget Stabilization Trust Fund as provided in § 19-24-101 et seq.

(c) The Corporate Income Tax Withholding Fund shall be used to make income tax refunds to corporate taxpayers in such amounts as may be determined by the Chief Fiscal Officer of the State or the courts and for repaying temporary loans made during each month from the Budget Stabilization Trust Fund, as may be required.

19-26-202. Individual Income Tax Withholding 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 “Individual Income Tax Withholding Fund”.

(b) The Individual Income Tax Withholding Fund shall consist of those general revenues transferred to it under § 19-21-102(b)(2) and those funds received from the Budget Stabilization Trust Fund as provided in § 19-24-101 et seq.

(c) The Individual Income Tax Withholding Fund shall be used to make

income tax refunds to individual taxpayers in such amounts as may be determined by the Chief Fiscal Officer of the State or the courts and for repaying temporary loans made during each month from the Budget Stabilization Trust Fund, as may be required.

19-26-203. Securities Reserve 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 "Securities Reserve Fund".

(b) The Securities Reserve Fund shall consist of moneys derived from savings effected in the retirement in advance of maturity of nonhighway direct general obligation bonds of the state, of discounts received in the purchase of securities, and of premiums and interest derived from the sale of securities held in the Securities Account by the Treasurer of State as custodian. The Securities Reserve Fund shall be used as follows:

(1) To pay premiums and the purchase and absorbing of discounts in the sale of securities held in the Securities Account, not to exceed five hundred thousand dollars ($500,000) in any one (1) fiscal year;

(2) To guarantee bonds in an aggregate principal amount not to exceed five million dollars ($5,000,000) outstanding at any time, with no bond bearing interest at a rate exceeding eight percent (8%) per annum, of the Museum and Cultural Commission Fund authorized, and in the manner prescribed in the Arkansas Museum and Cultural Center Act, § 13-5-301 et seq., not to exceed five hundred thousand dollars ($500,000) in any one (1) fiscal year;

(3) To guarantee bonds of any other park or recreation facility approved by the Governor and the Department of Parks, Heritage, and Tourism, not to exceed five hundred thousand dollars ($500,000) in the aggregate, after seeking advice of the Legislative Council and the Legislative Joint Auditing Committee;

(4) To guarantee industrial development bonds as authorized by §§ 15-4-702 — 15-4-710;

(5) To absorb losses incurred in the investing of securities held in the Securities Account in the State Treasury and in bank depositories. The balance of the Securities Reserve Fund shall always be available for this purpose;

(6) To guarantee loans to students to attend truck driving school at the Arkansas Commercial Driver Training Institute at Arkansas State University-Newport, in an aggregate principal amount not to exceed four hundred thousand dollars ($400,000) outstanding at any one (1) time;

(7) To distribute:

(A) Interest income earned on investment of balances of the following:

(i) The Arkansas Department of Transportation Fund, as authorized by § 27-70-204;

(ii) The Game Protection Fund, as authorized by § 15-41-110;

(iii) The funds deposited into the State Treasury by state agencies, boards, and commissions that were previously held as cash funds in a bank depository or investment depository, as authorized by § 19-3-318(d); and

(iv) State and Local Fiscal Assistance Act of 1972, 31 U.S.C. § 6701 et seq., as authorized by § 19-3-321(c); and

(B) Interest income earned from investment of State Treasury balances by any other laws enacted by the General Assembly;

(8) After the distributions enumerated in subdivision (b)(7) of this section, for a one-time transfer by the Chief Fiscal Officer of the State of one million five hundred thousand dollars ($1,500,000) to the Arkansas Highway Transfer Fund, to be transferred only in Fiscal Year 2017;

(9) After the distributions enumerated in subdivisions (b)(7) and (8) of this section, for a transfer by the Chief Fiscal Officer of the State of five million dollars ($5,000,000) each fiscal year to the Budget Stabilization Trust Fund;

(10) After the transfer to the Budget Stabilization Trust Fund enumerated in subdivision (b)(9) of this section, for a transfer by the Chief Fiscal Officer of the State of twenty million dollars ($20,000,000) beginning in Fiscal Year 2018 and each fiscal year thereafter to the Arkansas Highway Transfer Fund;

(11) For a transfer by the Chief Fiscal Officer of the State on the last business day of the fiscal year to the Budget Stabilization Trust Fund to reimburse the Budget Stabilization Trust Fund for any current fiscal year transfers that have been made to the following:

(A) The Division of Correction Farm Fund under § 19-24-101(b)(1);

(B) The Department of the Military Fund Account under § 19-24-101(b)(3);

(C) The Disaster Assistance Fund under § 19-27-206;

(D) The Miscellaneous Revolving Fund under § 19-27-209;

(E) The State Central Services Fund under § 19-24-101(d); and

(F) The State Board of Election Commissioners, as authorized by law; and

(12) After all distributions and transfers under this section, less one hundred thousand dollars ($100,000) under § 19-3-321(a)(2), for a transfer by the Chief Fiscal Officer of the State on the last business day of the fiscal year of the fund balance to the Catastrophic Reserve Fund.

(c)(1) If any loss is sustained in relation to securities at any time held in the Securities Account or in any bank depository and if the credit balance in the Securities Reserve Fund is insufficient to absorb the loss, the Chief Fiscal Officer of the State shall cause a transfer of moneys to be made from the Budget Stabilization Trust Fund to the Securities Reserve Fund in such amount as shall, when added to the credit balance in the Securities Reserve Fund, equal the amount of the loss.

(2) It is the intent of the General Assembly that no loss shall be sustained by any account the funds of which were used in making such investments and deposits.

19-26-204. Ad Valorem Tax Fund.

(a)(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 “Ad Valorem Tax Fund”.

(2) The Ad Valorem Tax Fund shall consist of those trust revenues derived from the ad valorem taxes as authorized by §§ 26-26-1614 — 26-26-1616 and § 26-26-1701 et seq.

(3) The Ad Valorem Tax Fund shall be used to reimburse the State Central Services Fund on account of expenditures made for local audits by Arkansas Legislative Audit and to the appropriate fund or fund account from which the Tax Division of the Arkansas Public Service Commission and the

Assessment Coordination Department derive their support, there to be used to reimburse such fund or fund account for expenditures made by Arkansas Legislative Audit, the Tax Division of the Arkansas Public Service Commission, and the Assessment Coordination Department each fiscal year.

(b) All ad valorem tax moneys transferred to the appropriate fund or fund account from which the department derives its support, as required by subsection (a) of this section, remaining at the end of a fiscal year shall remain in the fund or fund account and shall be carried forward and made available to the department in the following fiscal year.

(c) In the event there are insufficient moneys available in the Ad Valorem Tax Fund to fully reimburse the appropriate funds or fund accounts, the Chief Fiscal Officer of the State shall transfer to each fund an amount based upon the following:

(1) Eighty percent (80%) to the State Central Services Fund for local audits by Arkansas Legislative Audit;

(2) Five percent (5%) to the appropriate fund or fund account from which the Tax Division of the Arkansas Public Service Commission derives its support; and

(3) Fifteen percent (15%) to the appropriate fund or fund account from which the department derives its support.

(d)(1) Any moneys that may be available after reimbursing the various funds or fund accounts as provided in this section shall be transferred annually to the County Aid Fund by the Chief Fiscal Officer of the State.

(2) Thereafter the Treasurer of State shall transmit the moneys to the respective county treasurers, as provided by §§ 26-26-1616, 26-26-1701, and 26-26-1707.

19-26-205. Revolving Loan 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 Fund”.

(b) The fund shall consist of the repayment of moneys loaned or invested through the Revolving Loan Program of the Division of Elementary and Secondary Education.

(c) The fund shall be used for the purpose of making loans to school districts and for investment purposes.

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

any other funds made available by the General Assembly.

(c) The fund shall be used for the payment of program expenses of the division.

19-26-210. Gasoline Tax Refund 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 “Gasoline Tax Refund Fund”.

(b) The fund shall consist of the special revenues mentioned in the Revenue Classification Law, § 19-40-101 et seq., and as provided by law.

(c) The fund shall be used for making refunds of a portion of the tax paid on gasoline by users as authorized by law.

19-26-211. Judges Retirement 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 “Judges Retirement Fund”.

(b) The Judges Retirement Fund shall consist of trust funds as provided by law and moneys transferred or deposited from the State Administration of Justice Fund.

(c) The Judges Retirement Fund shall be disbursed or transferred as provided by law for benefit of retirants and for investment purposes.

19-26-212. Teacher Retirement 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 “Teacher Retirement Fund”.

(b) The fund shall consist of trust fund income as provided by law.

(c) The fund shall be used for:

(1) The operation, maintenance, and improvement of the Arkansas Teacher Retirement System;

(2) Payment of retirement and disability benefits;

(3) Making refunds; and

(4) Investing surplus funds.

19-26-213. State Police Retirement 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 "State Police Retirement Fund".

(b) The State Police Retirement Fund shall consist of the trust funds designated by law, moneys transferred or deposited from the State Administration of Justice Fund and non-DWI driver's license reinstatement fees as set out in § 27-16-808.

(c) The State Police Retirement Fund shall be used for payment of personal services, operating expenses, investments, benefits, refunds, and for such other purposes as may be authorized by law and in § 24-6-201 et seq.

19-26-214. Arkansas State Highway Employees' Retirement System 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 State Highway Employees' Retirement System Fund".

(b) The fund shall consist of trust funds as provided by law.

(c) The fund shall be used for:

(1) The payment of retirement and disability benefits to members of the Arkansas State Highway Employees' Retirement System;

(2) Refunds to members of the system;

(3) Investment purposes; and

(4) Such other purposes as may be authorized by law.

19-26-215. Arkansas Public Employees' Retirement System 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 Public Employees' Retirement System Fund".

(b) The fund shall consist of trust funds as provided by law.

(c) The fund shall be used for the payment of personal services, operating expenses, investments, benefits, refunds, and for such other purposes as may be authorized by law.

19-26-216. Educational Buildings Maintenance 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 "Educational Buildings Maintenance Fund".

(b) The fund shall consist of rents and any other revenues that are made available by law.

(c) The fund shall be used for the purposes of operating expenses, maintenance, renovations, and repairs.

19-26-217. State Insurance Department 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 fund to be known as the "State Insurance Department Trust Fund".

(b)(1) The fund shall consist of those special revenues specified in § 19-42-201(172), with the exception of § 19-42-201(172)(B), grants, refunds, gifts, and any remaining funds of the Arkansas Earthquake Authority as provided in § 23-102-119 and examination of insurers' payments as set out in §§ 23-61-201 — 23-61-206.

(2) The fund shall be used:

(A) To defray the expenses of the State Insurance Department in the discharge of its administrative and regulatory powers and duties as prescribed by law and as set out in the State Insurance Department Trust Fund Act, § 23-61-701 et seq.;

(B) To defray the administrative expenses and losses incurred by the Arkansas Comprehensive Health Insurance Pool of the Comprehensive Health Insurance Pool Act, § 23-79-501 et seq.; and

(C) To fund capital expenditures and training for fire departments certified by the Division of Emergency Management.

(c) Annually by June 30, one million five hundred thousand dollars ($1,500,000) shall be transferred from the State Insurance Department Trust Fund to the State Central Services Fund for the use of the Revenue Division of the Department of Finance Administration for expenses related to the online insurance verification system established under the Arkansas Online Insurance Verification System Act, § 27-22-201 et seq., and other related costs.

19-26-218. Red River Waterways Project 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 "Red River Waterways Project Trust Fund".

(b) The Red River Waterways Project Trust Fund shall consist of those moneys approved by the General Assembly from the Budget Stabilization Trust Fund and the interest income earned from the investment of funds accruing to the Red River Waterways Project Trust Fund.

(c) The Red River Waterways Project Trust Fund may be used for such purposes as may be authorized by law.

(d)(1) Investment of the funds available shall be by the Treasurer of State in such amounts and in such manner as may be directed by the Red River Commission.

(2) The funds shall not be invested for longer than a continuous two-year period.

19-26-219. Workers' Compensation 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 "Workers' Compensation 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 §§ 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.

19-26-220. Death and Permanent Total Disability 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 "Death and Permanent Total Disability 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 §§ 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.

19-26-221. State Forestry 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 “State Forestry Trust Fund”.

(b) The fund shall consist of:

(1) Income derived from management of state forests by the Arkansas Forestry Commission to the extent this income is not needed to fund the general operations of the commission; and

(2) Income derived from management of state nurseries by the commission to the extent this income is not needed to fund the general operations of the commission.

(c) The fund shall be used for:

(1) The management and improvement of state forests;

(2) Acquisition of state forests;

(3) The purchase of fire fighting equipment and other forest fire suppression activities;

(4) Improvements at commission’s nurseries and the seedling storage and distribution system; and

(5) Such other purposes as may be authorized by law.

19-26-222. State Insurance Department Criminal Investigation Division 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 “State Insurance Department Criminal Investigation Division Trust Fund”.

(b) The fund shall consist of those special revenues as specified in § 19-42-201(191), interest income, grants, refunds, gifts, or any other resources.

(c) The fund shall be used to defray the expenses of the Criminal Investigation Division of the State Insurance Department in the discharge of its administrative and regulatory powers and duties as prescribed by law and as set out in the State Insurance Department Criminal Investigation Division Trust Fund Act, § 23-100-101 et seq.

19-26-223. Hazardous Substance Remedial Action 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 fund to be known as the "Hazardous Substance Remedial Action Trust Fund".

(b) The Hazardous Substance Remedial Action Trust Fund shall consist of all moneys appropriated by the General Assembly to the Hazardous Substance Remedial Action Trust Fund, gifts, donations, interest earnings, fees on the generation of hazardous waste, punitive damages, penalties, and any other moneys legally designated, with the exception of those moneys deposited into the Environmental Education Fund as set out in § 8-7-509(d), all moneys received as penalties under §§ 8-4-101 — 8-4-106, 8-4-201 — 8-4-229, 8-4-301 — 8-4-313, and 8-6-201 — 8-6-212, §§ 8-6-214, 8-7-201 — 8-7-226, 8-7-504, and 20-27-1001 — 20-27-1007, and all punitive damages collected under § 8-7-517, there to be administered by the Director of the Division of Environmental Quality as provided in § 8-7-509.

19-26-224. Public Facilities Debt Service 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 "Public Facilities Debt Service Fund".

(b) The fund shall consist of those revenues as specified in the Public Facilities Finance Act of 1983, § 22-3-1201 et seq., and shall be used for the purposes as set out in the Public Facilities Finance Act of 1983, § 22-3-1201 et seq.

19-26-225. Vietnam Veterans 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 "Vietnam Veterans Monument Fund".

(b) The fund shall consist of gifts, grants, and donations from individuals and organizations 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 the State of Arkansas Vietnam veterans, as provided in § 22-3-215.

19-26-226. Local Sales and Use Tax 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 "Local Sales and Use Tax Trust Fund".

(b) The fund shall be used for the refund of taxes as may be authorized by law.

19-26-227. Employment Security Advance Interest 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 "Employment Security Advance Interest Trust Fund".

(b) The Employment Security Advance Interest Trust Fund shall consist of receipts from the advance interest tax and any penalties and interest, as transferred from the Unemployment Compensation Fund Clearing Account, there to be used for:

(1) Paying interest incurred by the state on advances from the Federal Unemployment Trust Fund;

(2) Making refunds of advance interest taxes or interest and penalty payments which were erroneously paid; and

(3) Returning moneys to the account that were incorrectly identified and erroneously transferred.

19-26-228. State Library 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 trust fund to be known as the "State Library Revolving Fund".

(b) The fund shall consist of moneys collected by the Arkansas State Library from payments for lost books, use of copy machines, charges for database searches, and other miscellaneous sources.

(c) The fund shall be used by the library to replace lost books, pay copy machine costs, and for such other purposes as authorized by law.

19-26-229. Unemployment Compensation 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 trust fund to be known as the "Unemployment Compensation Revolving Fund".

(b) The Unemployment Compensation Revolving Fund shall consist of

employer unemployment contributions made under § 11-16-206 and temporary loans from the Budget Stabilization Trust Fund received under § 11-16-208.

(c) The funds shall be used to reimburse the Division of Workforce Services, in a timely manner, for unemployment compensation benefits paid by the division and charged to a state agency, as provided in § 11-16-201 et seq., and other laws applicable to state employees' unemployment compensation and for such other purposes as may be authorized by law.

19-26-230. Workers' Compensation 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 trust fund to be known as the "Workers' Compensation Revolving Fund".

(b) The Workers' Compensation Revolving Fund shall consist of employer workers' compensation benefits contributions made under § 11-17-305 and temporary loans from the Budget Stabilization Trust Fund received under § 11-17-307.

(c) The Workers' Compensation Revolving Fund shall be used to pay workers' compensation benefits awarded to state employees by the Workers' Compensation Commission and for such other purposes as may be authorized by law.

19-26-231. Educational Excellence 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 "Educational Excellence Trust Fund".

(b) The fund shall consist of those additional revenues enacted by the Seventy-Eighth General Assembly meeting in regular session, the phrase "those additional revenues" being limited to any increases enacted in those taxes classified as general revenues in the Revenue Classification Law, § 19-40-101 et seq., there to be distributed to the various funds and fund accounts as set out in § 6-5-301 et seq.

19-26-232. County Assessors' Continuing Education Trust Fund.

(a)(1)(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 "County Assessors' Continuing Education Trust Fund".

(B)(i) The quorum court of each county shall annually appropriate and pay into the County Assessors' Continuing Education Trust Fund in the State Treasury the sum of six hundred dollars ($600) from fees of the office of the county assessor.

(ii) If any quorum court fails or refuses to appropriate and pay over the funds to the County Assessors' Continuing Education Trust Fund in the State Treasury, the Treasurer of State shall withhold funds from the county aid due to the county and shall credit the funds to the County Assessors' Continuing Education Trust Fund.

(2) The County Assessors' Continuing Education Trust Fund shall consist of all moneys required to be paid in annually as set out in this section, all interest earned from the investment of fund balances, and any remaining fund balances carried forward from year to year.

(b) The funds in the County Assessors' Continuing Education Trust Fund shall be used exclusively for the establishment and operation of a continuing education program for county assessors and for paying the meals, lodging, registration fees, and mileage at the rate prescribed in state travel rules of county assessors who attend the continuing education programs.

19-26-233. Court Awards 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 fund to be known as the "Court Awards Fund".

(b) The fund shall consist of state and federal asset forfeitures.

(c) The fund shall be used for expenditures of the Division of Arkansas State Police for the respective purposes as provided by law.

19-26-234. County Collectors' Continuing 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 "County Collectors' Continuing Education Trust Fund".

(b) The County Collectors' Continuing Education Trust Fund shall consist of fees, as annually appropriated by the quorum court of each county, of the office of county collector and funds withheld from the County Aid Fund for those counties that fail or refuse to provide the appropriated fees.

(c) The County Collectors' Continuing Education Trust Fund shall be

used exclusively for the establishment and operation of a continuing education program for county collectors and sheriff-collectors as set out in § 14-15-1001.

19-26-235. County Treasurers' Continuing 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 trust fund to be known as the "County Treasurers' Continuing Education Fund".

(b) The County Treasurers' Continuing Education Fund shall consist of fees from the office of county treasurer, as appropriated by the quorum court of each county and any moneys transferred from the County Aid Fund.

(c) The County Treasurers' Continuing Education Fund shall be used exclusively for the establishment and operation of a continuing education program for county treasurers and payment of expenses for attending the program, all as provided in § 14-15-811.

19-26-236. Manufactured Housing Recovery 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 "Manufactured Housing Recovery Fund".

(b) The fund shall consist of fees assessed under the Arkansas Manufactured Home Recovery Act, § 20-29-101 et seq., by the Arkansas Manufactured Home Commission.

(c) The fund shall be used for the purposes set out in §§ 20-29-104 — 20-29-108 and 20-29-110.

19-26-237. Children's 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 "Children's Trust Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(189) and moneys received from the United States Government, other governments, or persons or any other entities that do not obligate the State of Arkansas.

(c) The fund shall be used by the Department of Human Services.

19-26-238. Crime Victims Reparations 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 trust fund to be known as the "Crime Victims Reparations Revolving Fund".

(b) The Crime Victims Reparations Revolving Fund shall consist of:

(1) Moneys transferred or deposited from the State Administration of Justice Fund;

(2) Twenty-four percent (24%) of the fees collected under § 12-12-1510(c); and

(3) All other moneys received by the Crime Victims Reparations Board.

(c) The fund shall be used to compensate and assist victims of criminal acts as set out in the Arkansas Crime Victims Reparations Act, § 16-90-701 et seq.

19-26-239. Arkansas Natural and Cultural Resources Grants and 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 Natural and Cultural Resources Grants and Trust Fund".

(b) The fund shall consist of eighty percent (80%) of those special revenues as specified in § 19-42-201(145).

(c) The fund shall be used by the Arkansas Natural and Cultural Resources Council for use in the acquisition, management, and stewardship of state-owned lands and other purposes as set out in §§ 15-12-101 — 15-12-103.

19-26-240. Natural and Cultural Resources Historic Preservation 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 "Natural and Cultural Resources Historic Preservation Fund".

(b) The fund shall consist of ten percent (10%) of those special revenues as specified in § 19-42-201(145).

(c) The fund shall be used by the Arkansas Natural and Cultural Resources Council for providing a source of funds for the operation of the Arkansas Historic Preservation Program and the Main Street Arkansas program

as set out in § 15-12-103.

19-26-241. Long-Term Care 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 “Long-Term Care Trust Fund”.

(b) The Long-Term Care Trust Fund shall consist of all moneys and interest received from the imposition of civil penalties levied by the state on long-term care facilities found to be out of compliance with the requirements of federal law or regulations, or state law or rules, there to be administered by the Secretary of the Department of Human Services solely for the protection of the health or property of residents of long-term care facilities, including without limitation the payment for the costs of relocation of residents to other facilities, maintenance and operation of a facility pending correction of deficiencies or closure, and reimbursement of residents for personal funds lost.

(c) Funds from the Long-Term Care Trust Fund may also be administered by the Secretary of the Department of Human Services for programs or uses that, in the determination of the Director of the Office of Long-Term Care, enhance the quality of life for long-term care facility residents through the adoption of principles and building designs established by the Eden Alternative, Inc., or Green House Project programs or other means.

19-26-242. Self-Insured Fidelity Bond 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 “Self-Insured Fidelity Bond Trust Fund”.

(b) The fund shall consist of bond premiums collected under § 21-2-701 et seq.

(c) The fund shall be administered and disbursed by the Governmental Bonding Board for the use and benefit of participating governmental entities for bond claims and board expenses.

19-26-243. Special Needs Trust 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 trust fund to

be known as the “Special Needs Trust Revolving Fund”.

(b) The fund shall consist of all moneys received from individuals who establish or maintain eligibility for benefits under a medical assistance program, but possess income or resources in excess of established federal eligibility requirements, and moneys received from any other source and interest income.

(c) The fund shall be used for implementing the provisions of § 20-77-701 et seq.

19-26-244. Tourism 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 “Tourism Development Trust Fund”.

(b) The fund shall consist of those special revenues as specified in § 19-42-201(146) and fifty percent (50%) of those special revenues as specified in § 19-42-201(262), there to be used by the Department of Commerce exclusively for the promotion of wine tourism in Arkansas.

19-26-245. Identification Pending Trust Fund for Local Sales and Use Taxes.

(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 “Identification Pending Trust Fund for Local Sales and Use Taxes”.

(b) The Identification Pending Trust Fund for Local Sales and Use Taxes shall consist of:

(1) Money reported as local sales and use taxes collected in local taxing jurisdictions that are not immediately identifiable;

(2) Money collected in local jurisdictions that have no tax;

(3) Vending device sales taxes as provided in § 26-57-1002(d)(2); and

(4) That portion of vending devices decal fees and penalties as provided in §§ 26-57-1206 and 26-57-1208(b)(2).

(c) Money deposited into the Identification Pending Trust Fund for Local Sales and Use Taxes:

(1) Under subdivisions (b)(1) and (2) of this section shall be

used for transfers to the Local Sales and Use Tax Trust Fund when a local tax jurisdiction is identified for money and for transfers to general revenues when the total amount in the Identification Pending Trust Fund for Local Sales and Use Taxes exceeds fifty thousand dollars ($50,000) as provided in §§ 26-74-221, 26-74-317, and 26-82-113; and

(2) Under subdivisions (b)(3) and (4) of this section shall be distributed to cities and counties under §§ 26-74-221(a)(2)(C)(ii), 26-75-223(a)(2)(C)(ii), and 26-82-113(a)(2)(A)(ii).

19-26-246. Insurance Continuing 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 “Insurance Continuing Education Trust Fund”.

(b) The fund shall consist of certification filing fees as provided in § 23-64-306.

(c) The fund shall be used for administering continuing education provisions for insurance agents, solicitors, consultants, and brokers as provided in § 23-64-301 et seq.

19-26-247. Petroleum Storage Tank 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 “Petroleum Storage Tank Trust Fund”.

(b) The Petroleum Storage Tank Trust Fund shall consist of:

(1) The petroleum environmental assurance fees as provided in § 8-7-906;

(2) All other fees assessed under the Petroleum Storage Tank Trust Fund Act, § 8-7-901 et seq.;

(3) Gifts, grants, and donations;

(4) Other funds made available by the General Assembly;

(5) The excess of a reserve of two (2) months’ requirements of debt service from fees in the Petroleum Storage Tank Trust Fund Revenue Bond Debt Service Fund as provided in § 15-5-1206; and

(6) Any moneys recovered by the Division of Environmental Quality that are attributable to collections of civil penalties under § 8-7-806 or to costs under § 8-7-807 not owed the Regulated Substance Storage Tank

Program Fund.

(c) The Petroleum Storage Tank Trust Fund shall be administered by the Director of the Division of Environmental Quality, who shall make disbursements from the Petroleum Storage Tank Trust Fund as authorized by the Petroleum Storage Tank Trust Fund Act, § 8-7-901 et seq.

19-26-248. Private Career School Student Protection 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 “Private Career School Student Protection Trust Fund”.

(b) The fund shall consist of a fee to be set by the Division of Higher Education in consultation with the State Board of Private Career Education as provided in § 6-51-607.

(c) The fund shall be used for paying claims and other expenses as provided in § 6-51-607.

19-26-249. Solid Waste Management and 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 “Solid Waste Management and Recycling Fund”.

(b) The fund shall consist of:

(1) Those special revenues specified in §§ 19-42-201(154) and 19-6-301(240)

(2) Reimbursement of funds pursuant to § 8-6-610;

(3) Federal funds that may become available;

(4) Interest earnings, gifts, and donations; and

(5) Any other funds made available by the General Assembly.

(c) The fund shall be administered by the Division of Environmental Quality as set out in the Solid Waste Management and Recycling Fund Act, § 8-6-601 et seq.

19-26-250. State Health Department Building and Local Grant 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 “State Health Department Building and Local Grant Trust

Fund".

(b) Except as provided in § 20-7-203(b), the fund shall consist of:

(1) Moneys authorized by law to be used only for expansion, renovation, construction, or improvements to the State Health Department building and for grants for construction, renovation, or other expansion of approved local health unit facilities in this state; and

(2) Moneys authorized under § 20-7-408(f).

19-26-251. Water Resources Development Bond 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 "Water Resources Development Bond Fund".

(b) The fund shall consist of:

(1) Proceeds from the sale of bonds as issued by the Arkansas Natural Resources Commission and revenues derived from projects financed under the Arkansas Water Resources Development Act of 1981, § 15-22-601 et seq., in amounts or portions as set forth in the resolution or trust indenture authorizing or securing the bonds;

(2) General revenues; and

(3) Any other funds made available by the General Assembly.

(c) The fund shall be used only to provide for payment of all or part of debt service on bonds issued under the Arkansas Water Resources Development Act of 1981, § 15-22-601 et seq., either at maturity or upon redemption before maturity, as administered by the Treasurer of State.

19-26-252. Water Resources Development Debt Service Reserve 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 "Water Resources Development Debt Service Reserve Fund".

(b) The fund shall consist of:

(1) Proceeds from the sale of bonds as issued by the Arkansas Natural Resources Commission and revenues derived from projects financed under the Arkansas Water Resources Development Act of 1981, § 15-22-601 et seq., in amounts or portions as set forth in the resolution or trust indenture authorizing or securing the bonds;

(2) General revenues; and

(3) Any other funds made available by the General Assembly.

(c) The fund shall be used only to ensure prompt payment of debt service on bonds issued under the Arkansas Water Resources Development Act of 1981, § 15-22-601 et seq., either at maturity or upon redemption before maturity, as administered by the Treasurer of State.

19-26-253. Water Resources Development Operation and Maintenance 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 "Water Resources Development Operation and Maintenance Fund".

(b) The fund shall consist of proceeds from the sale of bonds as issued by the Arkansas Natural Resources Commission and revenues derived from projects financed under the Arkansas Water Resources Development Act of 1981, § 15-22-601 et seq., in amounts or portions as set forth in the resolution or trust indenture authorizing or securing the bonds.

(c) The fund shall be used for all or a part of the operation and maintenance needs of projects financed under the Arkansas Water Resources Development Act of 1981, § 15-22-601 et seq.

19-26-254. Water Resources Development Construction 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 "Water Resources Development Construction Fund".

(b) The fund shall consist of proceeds from the sale of bonds issued by the Arkansas Natural Resources Commission.

(c) The fund shall be used, pursuant to appropriation by the General Assembly, for projects developed under the Arkansas Water Resources Development Act of 1981, § 15-22-601 et seq.

19-26-255. Waste Disposal and Pollution Abatement Facilities Construction 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 "Waste Disposal and Pollution Abatement Facilities Construction Fund".

(b) The fund shall consist of proceeds from the sale of bonds as

issued by the Arkansas Natural Resources Commission and revenues derived from projects financed under the Arkansas Waste Disposal and Pollution Abatement Facilities Financing Act of 1987, § 15-22-701 et seq., in amounts or portions as set forth in the resolution or trust indenture authorizing or securing the bonds.

(c) The fund shall be used for the development of projects and the payment of the costs and expenses of the issuance of the bonds under the Arkansas Waste Disposal and Pollution Abatement Facilities Financing Act of 1987, 15-22-701 et seq.

19-26-256. Waste Disposal and Pollution Abatement Facilities Bond 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 "Waste Disposal and Pollution Abatement Facilities Bond Fund".

(b) The fund shall consist of:

(1) Proceeds from the sale of bonds issued by the Arkansas Natural Resources Commission and revenues derived from projects financed under the Arkansas Waste Disposal and Pollution Abatement Facilities Financing Act of 1987, § 15-22-701 et seq., in amounts or portions as set forth in the resolution or trust indenture authorizing or securing the bonds;

(2) General revenues; and

(3) Any other funds made available by the General Assembly.

(c) The fund shall be used only to provide for payment of all or part of debt service on bonds issued under the Arkansas Waste Disposal and Pollution Abatement Facilities Financing Act of 1987, § 15-22-701 et seq., either at maturity or upon redemption before maturity, as administered by the Treasurer of State.

19-26-257. Waste Disposal and Pollution Abatement Facilities Debt Service Reserve 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 "Waste Disposal and Pollution Abatement Facilities Debt Service Reserve Fund".

(b) The fund shall consist of:

(1) Proceeds from the sale of bonds as issued by the Arkansas Natural Resources Commission and revenues derived from projects financed under the Arkansas Waste Disposal and Pollution Abatement Facilities Financing Act of 1987, § 15-22-701 et seq., in amounts or portions as set forth in the resolution or trust indenture authorizing or securing the bonds;

(2) General revenues; and

(3) Any other funds made available by the General Assembly.

(c) The fund shall be used only to ensure prompt payment of debt service on bonds issued under the Arkansas Waste Disposal and Pollution Abatement Facilities Financing Act of 1987, § 15-22-701 et seq., either at maturity or upon redemption before maturity, as administered by the Treasurer of State.

19-26-258. Waste Disposal and Pollution Abatement Facilities Operation and Maintenance 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 “Waste Disposal and Pollution Abatement Facilities Operation and Maintenance Fund”.

(b) The fund shall consist of proceeds from the sale of bonds as issued by the Arkansas Natural Resources Commission and revenues derived from projects financed under the Arkansas Waste Disposal and Pollution Abatement Facilities Financing Act of 1987, § 15-22-701 et seq., in amounts or portions as set forth in the resolution or trust indenture authorizing or securing the bonds.

(c) The fund shall be used for all or a part of the operation and maintenance of the projects financed under the Arkansas Waste Disposal and Pollution Abatement Facilities Financing Act of 1987, § 15-22-701 et seq.

19-26-259. Special State Assets Forfeiture 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 “Special State Assets Forfeiture Fund”.

(b) The fund shall consist of revenues as provided in § 5-64-505(i)(1)(B)(iv) and any other revenues as may be provided by law.

(c) The fund shall be administered through rules established by the Arkansas Drug Director and distributed by the Arkansas Alcohol and Drug Abuse Coordinating Council in accordance with the intent and purposes of the Uniform Controlled Substances Act, § 5-64-101 et seq.

19-26-260. Public Facilities Construction 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 "Public Facilities Construction Fund".

(b) The fund shall consist of the remainder of the proceeds from the sale of certificates of indebtedness as provided in § 22-3-1214.

(c) The fund shall be used only for the redemption of the 1977 bonds and the 1979 bonds and for the construction of buildings authorized under the Public Facilities Finance Act of 1983, § 22-3-1201 et seq.

19-26-261. Higher Education Projects 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 trust fund to be known as the "Higher Education Projects Development Fund".

(b) The fund shall consist of proceeds from the sale of bonds as issued by the Arkansas Development Finance Authority and revenues derived from any project financed under the Arkansas College Savings Bond Act of 1989, § 6-62-701 et seq., in amounts or portions as set forth in the resolution or trust indenture authorizing or securing the bonds.

(c) The fund shall be used to provide for the development of projects at state institutions of higher education and the payment of project costs and expenses of the issuance of bonds as set out in the Arkansas College Savings Bond Act of 1989, § 6-62-701 et seq.

19-26-262. College Savings Bond 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 "College Savings Bond Fund".

(b) The fund shall consist of:

(1) Proceeds from the sale of bonds as issued by the Arkansas Development Finance Authority and revenues derived from any project financed

under the Arkansas College Savings Bond Act of 1989, § 6-62-701 et seq., in amounts or portions as set forth in the resolution or trust indenture authorizing or securing the bonds;

(2) General revenues; and

(3) Any other funds made available by the General Assembly.

(c) The fund shall be used only to provide for payment of all or a part of debt service on bonds issued under the Arkansas College Savings Bond Act of 1989, § 6-62-701 et seq., either at maturity or upon redemption before maturity, as administered by the Treasurer of State.

19-26-263. College Savings Debt Service Reserve 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 "College Savings Debt Service Reserve Fund".

(b) The fund shall consist of:

(1) Proceeds from the sale of bonds as issued by the Arkansas Development Finance Authority and revenues derived from any project financed under the Arkansas College Savings Bond Act of 1989, § 6-62-701 et seq., in amounts or portions as set forth in the resolution or trust indenture authorizing or securing the bonds;

(2) General revenues; and

(3) Any other funds made available by the General Assembly.

(c) The fund shall be used only to ensure prompt payment of debt service on bonds issued under the Arkansas College Savings Bond Act of 1989, § 6-62-701 et seq., either at maturity or upon redemption before maturity, as administered by the Treasurer of State.

19-26-264. Inventors' Assistance 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 trust fund to be known as the "Inventors' Assistance Program Fund".

(b) The Inventors' Assistance Program Fund shall consist of:

(1) All moneys received by the Center for Prototype Development and Emerging Technologies to be developed and operated by the University of Arkansas at Little Rock for implementation of the Inventors' Assistance Act, § 15-4-1401 et seq.; and

(2) All fees received under the Inventors' Assistance Act, § 15-4-1401 et seq.

(c) The Inventors' Assistance Program Fund shall be used for the implementation of the Inventors' Assistance Act, § 15-4-1401 et seq.

(d) Any amount in the Inventors' Assistance Program Fund not directly needed for implementation of the Inventors' Assistance Act, § 15-4-1401 et seq., shall be transferred to the General Revenue Fund Account.

19-26-265. Landfill Post-Closure 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 "Landfill Post-Closure Trust Fund".

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(167);

(2) Federal funds;

(3) Interest earned; and

(4) Any gifts or donations.

(c) The fund shall be used solely for the administration of and for landfill post-closure corrective action as administered by the Division of Environmental Quality as set out in § 8-6-1001 et seq., and shall not be appropriated for any other purpose.

19-26-266. Arkansas Military War Veterans 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 "Arkansas Military War Veterans Monument Fund".

(b) The fund shall consist of gifts, grants, and donations from individuals and organizations.

(c) The fund shall be used exclusively for constructing and erecting a military war veterans monument as provided in § 22-3-219.

19-26-267. Land Reclamation 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 "Land Reclamation Fund".

(b) The fund shall consist of:

(1) Open-cut mining civil penalties and bond forfeiture amounts;

(2) Quarry operation reclamation, operation, and safe closure fees, fines, and bond forfeitures;

(3) Gifts, grants, and donations; and

(4) Any other funds made available by the General Assembly, including all interest earned on moneys in the fund.

(c) The fund shall be used for:

(1) The reclamation of affected lands as administered by the Division of Environmental Quality as provided in The Arkansas Open-Cut Land Reclamation Act, § 15-57-301 et seq.; and

(2) Contract awards for affected lands as required by the Arkansas Quarry Operation, Reclamation, and Safe Closure Act, § 15-57-401 et seq.

19-26-268. Division of Workforce Services Special 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 Special Fund".

(b)(1) The fund shall consist of unemployment compensation contribution interest and penalty payments collected under §§ 11-10-716 — 11-10-723 and interest and penalty payments on overpayments collected under § 11-10-532.

(2) The fund shall be used for refunds of interest and penalties erroneously paid and other additional purposes as determined by the Director of the Division of Workforce Services under §§ 11-10-532 and 11-10-716 — 11-10-723 to be necessary to the proper administration of the following:

(A) The Division of Workforce Services Law, § 11-10-101 et seq.;

(B) The Arkansas Workforce Innovation and Opportunity Act, § 15-4-3701 et seq., or its successor;

(C) The Temporary Assistance for Needy Families Program, § 20-76-101 et seq., or its successor;

(D) The Arkansas Health and Opportunity for Me Act of 2021, § 23-61-1001 et seq., or its successor; and

(E) Any other programs transferred under the direction and supervision of the Division of Workforce Services, by either executive order

or legislative enactment, or their successor programs.

(c)(1) The fund shall include a subaccount for penalties collected under § 11-10-532(a)(3) that are in excess of fifteen percent (15%) of the overpayment.

(2) The subaccount under subdivision (c)(1) of this section shall be used exclusively for activities to protect the integrity of the unemployment insurance program that are necessary to the proper administration of the Division of Workforce Services Law, § 11-10-101 et seq., as determined by the director.

(d) The director shall report to the Legislative Council on a quarterly basis on all uses of the fund and the subaccount.

19-26-269. Arkansas Medicaid 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 Medicaid Program Trust Fund".

(b)(1) The fund shall consist of the following:

(A) All revenues derived from taxes levied on soft drinks sold or offered for sale in Arkansas under the Arkansas Soft Drink Tax Act, § 26-57-901 et seq., there to be used exclusively for the state match of federal funds participation under the Arkansas Medicaid Program;

(B) The additional ambulance annual fees stated in § 20-13-212;

(C) The special revenues specified in §§ 19-42-201(156) and 19-42-201(236);

(D) The amounts collected under §§ 26-57-604 and 26-57-605 above the forecasted level for insurance premium taxes set by the Chief Fiscal Officer of the State under § 10-3-1404(a)(1)(A);

(E) The amount provided for in § 19-23-102(a)(3); and

(F) Payments from surety bonds issued regarding risk-based provider organizations, as defined in § 20-77-2703.

(2) If the Arkansas Medicaid Program should be discontinued for any reason, the revenues derived from the soft drink tax levied in the Arkansas Soft Drink Tax Act, § 26-57-901 et seq., and the funds described in subdivision (b)(1)(E) of this section shall be used exclusively to provide services to Arkansas residents comparable to the services now provided under

the Arkansas Medicaid Program.

19-26-270. Arkansas State Parks 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 State Parks Trust Fund”.

(b) The fund shall consist of severance taxes collected from diamond mining pursuant to § 26-58-107.

(c)(1) The fund shall be used by the State Parks, Recreation, and Travel Commission as appropriations are available.

(2) The commission shall annually expend at least ninety percent (90%) of the funds available for the purpose of development, preservation, and protection of the infrastructure in the existing state parks of Arkansas.

19-26-271. Interstate Alternative Fuels Refund 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 “Interstate Alternative Fuels Refund Fund”.

(b) The fund shall consist of the amount, estimated quarterly, that is transferred monthly from gross alternative fuel tax collections.

(c) The fund shall be used to pay refunds to licensed interstate users and licensed IFTA carrier users of alternative fuels as provided by law and as provided in § 26-62-210.

19-26-272. Soybean Board Escrow Account 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 “Soybean Board Escrow Account Trust Fund”.

(b) The fund shall consist of those moneys required for the payment of refunds in such amounts and for such time periods as is required by the United States Secretary of Agriculture or as is authorized by § 2-20-401 et seq., and determined by the Arkansas Soybean Promotion Board.

(c) The fund shall be used as provided in § 2-20-401 et seq.

19-26-273. Interstate Motor Fuel Tax Refund 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 "Interstate Motor Fuel Tax Refund Fund".

(b) The fund shall consist of the amount, estimated quarterly, that is transferred monthly from gross motor fuel taxes and gross special motor fuel tax collections.

(c) The fund shall be used to pay refunds to interstate users of motor fuels and special motor fuels as provided in §§ 26-55-714 and 26-56-215.

19-26-274. Mining Reclamation 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 "Mining Reclamation Trust Fund".

(b) The fund shall consist of all forfeitures collected under the Arkansas Surface Coal Mining and Reclamation Act of 1979, § 15-58- 101 et seq., and interest earned on the fund.

(c) The fund shall be used only to accomplish reclamation of land covered by forfeitures of performance bonds for surface coal mining.

19-26-275. State Administration of Justice 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 "State Administration of Justice Fund".

(b)(1) The fund shall consist of court costs and filing fees under §§ 9-15-202, 16-10-305, 16-17-705, 16-90-1419(b)(1), and 21-6-403, the special revenues from real estate transfer taxes under § 19-42-201(117), district court installment fees under § 16-13-704(b)(3)(E)(ii), and any interest earned.

(2) The fund shall be used for:

(A) Trial court administrators as stated in § 16-13-3301 et seq.;

(B) Substitute trial court administrators as stated in § 16-10-801 et seq.; and

(C) The distribution of revenue as stated in § 16-10-310.

19-26-276. Arkansas Fire and Police Pension Guarantee 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 Fire and Police Pension Guarantee Fund".

(b) The fund shall consist of a portion of the taxes levied on insurers or any other state funds designated for support of fire and police retirement programs.

(c) The fund shall be used as provided in § 24-11-209 [repealed].

19-26-277. Uniform Tax Rate 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 "Uniform Tax Rate Trust Fund".

(b) The fund shall consist of those moneys received from local governments and transmitted to the State Treasury as required by Arkansas Constitution, Amendment 74.

(c) The fund shall be used as provided by Arkansas Constitution, Amendment 74.

(d) The Auditor of State shall issue warrants drawn from the fund as requested by vouchers submitted by the Treasurer of State upon certification by the Chief Fiscal Officer of the State that funds will be available when the warrants are presented for payment.

(e)(1) The Treasurer of State may voucher a single warrant payable to the Treasurer of State for the purpose of distributing funds to multiple payees from the fund.

(2) Documentation shall accompany the voucher indicating the payees, amount, and account numbers to which the distribution is to be made.

19-26-278. Abandoned Agricultural Pesticide and Plant Regulator Disposal Trust Fund — Definitions.

(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 "Abandoned Agricultural Pesticide and Plant Regulator Disposal Trust Fund".

(b) The Abandoned Agricultural Pesticide and Plant Regulator Disposal Trust Fund shall consist of funds transferred to the Abandoned Agricultural Pesticide and Plant Regulator Disposal Trust Fund from the Remedial Action Trust Fund and other funds that are made available by law.

(c) The Abandoned Agricultural Pesticide and Plant Regulator Disposal Trust Fund shall be used by the State Plant Board to defray the costs of developing and implementing a plan for the disposal of abandoned agricultural pesticides and plant regulators.

(d) The General Assembly intends to provide a method for disposal of agricultural pesticides that have been abandoned due to a change of ownership of the real property or a change in agricultural practices in a region of the state.

(e) As used in this section:

(1) "Abandoned" means chemicals that are no longer used and for which there is no planned use;

(2) "Agricultural pesticide" means any substance or mixture of substances:

(A) Intended for:

(i) Preventing, destroying, repelling or mitigating any pests; or

(ii) Use as a plant regulator, defoliant, or desiccant; and

(B) Intended to be used as a spray adjuvant; and

(3)(A) "Plant regulator" means any substance or mixture of substances intended through physiological action for accelerating or retarding the rate of growth or rate of maturation or for otherwise altering the behavior of plants or the produce thereof.

(B) "Plant regulator" does not include substances to the extent that they are intended as plant nutrients, trace elements, nutritional chemicals, plant inoculants, or soil amendments.

19-26-279. Individual Development Account 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 for the Division of Workforce Services to be known as the "Individual Development Account Trust Fund".

(b) The fund shall consist of Transitional Employment Assistance Program funds under § 20-76-401.

(c) The fund shall be used for the purposes set forth in § 20-86-101 et seq.

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;

(6) Devises;

(7) Donations; and

(8) Any other moneys made available by law.

(c) The fund shall be administered by the Department of Finance and Administration and disbursed as appropriated for the Arkansas Disaster Relief Program provided in § 26-51-2502 et seq.

19-26-283. Small Business Revolving Loan 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 "Small Business Revolving Loan Fund".

(b)(1) The Small Business Revolving Loan Fund shall consist of moneys transferred from 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.

(2) The Small Business Revolving Loan Fund shall be administered by the Division of Environmental Quality and used exclusively for those purposes set out in the Small Business Revolving Loan Fund for Pollution Control and Prevention Technologies Act, § 8-5-801 et seq.

19-26-284. State Insurance Department Prepaid 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 "State Insurance Department Prepaid Trust Fund".

(b)(1) The State Insurance Department Prepaid Trust Fund shall consist of:

(A) Investment income;

(B) Grants;

(C) Refunds;

(D) Gifts; and

(E) All license fees paid into the State Insurance Department Prepaid Trust Fund pursuant to the Arkansas Prepaid Funeral Benefits Law, § 23-40-101 et seq.

(2) The State Insurance Department Prepaid Trust Fund shall be

used for the operations and improvements of the Division of Prepaid Funeral Benefits of the State Insurance Department, as administered by the Insurance Commissioner and the Treasurer of State as set out in § 23-40-107.

(3) The State Insurance Department Prepaid Trust Fund shall also consist of the assets of the Prepaid Funeral Contracts Recovery Program Fund, there to be administered by the commissioner.

19-26-285. Natural Resources Damages 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 "Natural Resources Damages Trust Fund".

(b) The fund shall consist of:

(1) Payments to the State of Arkansas for restoration, rehabilitation, replacement, or acquisition of natural resources;

(2) Gifts;

(3) Donations;

(4) Federal funds;

(5) Interest income; and

(6) Any other funds that may be made available by the General Assembly.

(c) The fund shall be used for natural resource restoration, rehabilitation, replacement, or acquisition, as authorized by the Natural Resources Damages Advisory Board, contingent upon any order of a court of appropriate jurisdiction and conditions contained in gifts or donations, as may be provided by law.

19-26-286. Water, Waste Disposal, and Pollution Abatement General Obligation Bond 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 "Water, Waste Disposal, and Pollution Abatement General Obligation Bond Fund".

(b) The fund shall consist of proceeds from the sale of bonds issued by the Arkansas Natural Resources Commission and revenues derived from projects financed under the Arkansas Water, Waste Disposal and Pollution Abatement Facilities Financing Act of 1997 in amounts or portions as set

forth in the resolution or trust indenture authorizing or securing the bonds.

(c) The fund shall be used for the development of projects and the payment of the costs and expenses of the issuance of the bonds.

19-26-287. Ouachita River Waterways Project 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 "Ouachita River Waterways Project Trust Fund".

(b) The fund shall consist of:

(1) Those moneys approved by the General Assembly; and

(2) The interest income earned from the investment of moneys accruing to the fund.

(c)(1) The fund may be used for such purposes authorized by law, including without limitation wildlife and recreation purposes and bank stabilization.

(2) The fund shall not be used for bend cuts or bend widenings.

(d)(1) Investment of the funds available shall be by the Treasurer of State in such amounts and in such manner as may be directed by the Ouachita River Commission.

(2) Funds shall not be invested for longer than a continuous two-year period.

19-26-288. Environmental Settlement 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 "Environmental Settlement Trust Fund".

(b) The fund shall consist of:

(1) Moneys received by the State of Arkansas pursuant to settlement agreements for environmental or natural resources damages;

(2) Interest earnings; and

(3) Any other moneys designated to be deposited into the fund.

(c) The fund shall be administered by the Director of the Division of Environmental Quality.

19-26-289. Geographic Information Systems Fund.

(a)(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 "Geographic Information Systems Fund".

(2) The fund shall consist of:

(A) Funds approved by the General Assembly;

(B) Grants, gifts, and donations received by the State of Arkansas for the purposes of this section;

(C) Agency investments toward enterprise geographic information systems projects;

(D) Federal funds; and

(E) Any other funds allowable by law.

(3) The fund shall be used to:

(A) Carry out the duties, responsibilities, and authority of the Arkansas Geographic Information Systems Board as described by § 15-21-504;

(B) Create, operate, and maintain GeoStor, the Arkansas Spatial Data Infrastructure; and

(C) Create, update, maintain, and disseminate framework spatial data as defined by § 15-21-502.

(b)(1)(A) The State Geographic Information Officer shall manage the fund, and the Governor shall oversee the expenditures from the fund.

(B) The board shall establish standards and methodologies for evaluating the funding of enterprise-level geographic information systems projects.

(2)(A) The State Geographic Information Officer, with advice from the board, shall evaluate, prioritize, and approve proposals for geographic information systems projects.

(B) The proposals and requests for funding shall demonstrate any or all of the following:

(i) Improvement in the quality of life for Arkansans;

(ii) Elimination of redundant systems;

(iii) Improved service for Arkansas citizens;

(iv) Enhanced economic development opportunities in Arkansas;

(v) Implementation of electronic government twenty-four (24) hours a day, seven (7) days a week;

(vi) Substantial benefit to more than one (1) agency through lower operating costs; and

(vii) Continued development of the Arkansas Spatial Data Infrastructure.

19-26-290. Policemen's Pension Supplement 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 trust fund to be known as the "Policemen's Pension Supplement Program Fund".

(b) The fund shall consist of that portion of those unallocated premium taxes levied on insurers for the support of police retirement programs as provided in § 24-11-211.

(c) The fund shall be used for providing financial assistance to certain retired police officers and their survivors who are receiving pensions from policemen's pension and relief funds as provided in § 24-11-211.

19-26-291. Arkansas Construction Industry Craft Training 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 Construction Industry Craft Training Trust Fund".

(b)(1) The fund shall consist of the net proceeds of the construction permit surcharge as set out in § 6-55-106.

(2) The fund shall be used to support training programs set out in The Arkansas Construction Industry Craft Training Act, § 6-55-101 et seq., administered by the Office of Skills Development and the Arkansas Apprenticeship Coordination Steering Committee.

19-26-292. Arkansas Healthy Century 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 Healthy Century Trust Fund".

(b) The fund shall consist of:

(1) An initial principal amount of $100,000,000 of tobacco settlement funds as provided in § 19-90-104; and

(2) Interest earnings.

(c) The fund shall be used for those programs provided in § 19-90-107 and administered by the State Board of Finance.

19-26-293. Tobacco Settlement 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 trust fund to be known as the "Tobacco Settlement Program Fund".

(b) The Tobacco Settlement Program Fund shall consist of:

(1) Those moneys deposited from the Tobacco Settlement Cash Holding Fund as provided in § 19-90-104; and

(2) Interest earnings.

(c) The Tobacco Settlement Program Fund shall be used for the transfer of funds to the various funds and fund accounts as provided in § 19-90-108 and administered by the State Board of Finance.

19-26-294. Arkansas Tobacco Settlement 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 trust fund to be known as the "Arkansas Tobacco Settlement Commission Fund".

(b) The Arkansas Tobacco Settlement Commission Fund shall consist of:

(1) Investment earnings transferred from the Tobacco Settlement Program Fund and each of the Tobacco Settlement Program Accounts as provided in § 19-90-108; and

(2) Interest earnings.

(c) The Arkansas Tobacco Settlement Commission Fund shall be used as provided in § 19-90-108 and administered by the State Board of Finance.

19-26-295. Prevention and Cessation Program Account.

(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 "Prevention and Cessation Program Account".

(b) The Prevention and Cessation Program Account shall consist of:

(1) Those moneys transferred from the Tobacco Settlement Program Fund as provided in § 19-90-108; and

(2) Interest earnings.

(c) The Prevention and Cessation Program Account shall be used by the

Department of Health as provided in § 19-90-109.

19-26-296. Targeted State Needs Program Account.

(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 "Targeted State Needs Program Account".

(b) The Targeted State Needs Program Account shall consist of:

(1) Those moneys transferred from the Tobacco Settlement Program Trust Fund as provided in § 19-90-108; and

(2) Interest earnings.

(c) The Targeted State Needs Program Account shall be used as provided in § 19-90-110.

19-26-297. Arkansas Biosciences Institute Program Account.

(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 Biosciences Institute Program Account".

(b) The Arkansas Biosciences Institute Program Account shall consist of:

(1) Those moneys transferred from the Tobacco Settlement Program Fund as provided in § 19-90-108; and

(2) Interest earnings.

(c) The Arkansas Biosciences Institute Program Account shall be used as provided in § 19-90-111.

19-26-298. Medicaid Expansion Program Account.

(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 "Medicaid Expansion Program Account".

(b) The Medicaid Expansion Program Account shall consist of:

(1) Those moneys transferred from the Tobacco Settlement Program Trust Fund as provided in § 19-90-108; and

(2) Interest earnings.

(c) The Medicaid Expansion Program Account shall be used by the Department of Human Services as provided in § 19-90-112.

19-26-299. Juvenile Accountability Incentive Block Grant 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 “Juvenile Accountability Incentive Block Grant Trust Fund”.

(b) The fund shall consist of those federal funds received through a grant award under the Juvenile Accountability Incentive Block Grant Program.

(c) The fund shall be used to provide funds to state and local units of government to establish a coordinated enforcement plan for reducing juvenile crime developed by a Juvenile Crime Enforcement Coalition, as administered by the Division of Youth Services of the Department of Human Services.

Subchapter 3 — Enumeration of Trust Funds, Continued

19-26-301. Baby Sharon’s Children’s Catastrophic Illness Grant 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 “Baby Sharon’s Children’s Catastrophic Illness Grant Program Trust Fund”.

(b)(1) All moneys collected under § 26-51-2504 shall be deposited into the State Treasury to the credit of the fund.

(2) The fund shall also consist of any other revenues authorized by law.

(c) The fund shall be used exclusively by the Baby Sharon’s Children’s Catastrophic Illness Grant Program Committee for the Baby Sharon’s Children’s Catastrophic Illness Grant Program.

(d) The Treasurer of State shall credit to the fund the amount certified each quarter in accordance with § 26-51-2504.

(e)(1) The moneys credited to the fund shall be held as trust funds in interest-bearing accounts only.

(2) All interest earned shall be credited to the fund and shall be used only for the purposes of the fund.

(f) 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.

19-26-302. 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

the memorial area.

(B) The Secretary of State may allow the beginning of construction of a memorial area on State Capitol grounds if:

(i) A dedicated funding source has been established for the purpose of payment of the fees under this subsection; and

(ii) The organization demonstrates that substantial funds have been raised to complete the project.

(2) The amount of the fee may be reviewed by the commission as to how the fee under this subsection was calculated by the Secretary of State.

(d)(1) All moneys deposited into the Arkansas Capitol Grounds Monument and Memorial Preservation Fund and any accrued interest shall remain in the Arkansas Capitol Grounds Monument and Memorial Preservation Fund.

(2) The Secretary of State shall administer the Arkansas Capitol Grounds Monument and Memorial Preservation Fund.

(e)(1) Except as provided in subdivision (e)(2) of this section, the Arkansas Capitol Grounds Monument and Memorial Preservation Fund shall be used for the maintenance, repair, alteration, additions, reconstruction, or upkeep of any kind for any monument or memorial area on the State Capitol grounds.

(2) Before the expenditure of any moneys from the Arkansas Capitol Grounds Monument and Memorial Preservation Fund for the maintenance, repair, alteration, addition, reconstruction, or upkeep of any kind for a specific monument or memorial areas on State Capitol grounds, if there is a fund dedicated to that specific monument or memorial, the Secretary of State shall utilize the gifts, grants, and donations made to the following funds for the maintenance, repair, alteration, addition, reconstruction, or upkeep of that specific monument or memorial:

(A) Vietnam Veterans' Monument Fund;

(B) Arkansas Military War Veterans Monument Fund;

(C) Ten Commandments Monument Display Act under § 22-3-221;

(D) Gold Star Family Memorial Monument Fund; and

(E) Arkansas Fallen Firefighters Memorial Board under § 22-3-1704.

19-26-303. Arkansas Public Transit 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 Public Transit Trust Fund".

(b) The fund shall consist of seventy-five percent (75%) of the net revenues derived from the additional rental vehicle tax imposed by § 26-63-302.

(c) The fund shall be used by the Arkansas Department of Transportation for:

(1) The purpose of acquiring federal matching funds for the purchase of public transportation vehicles;

(2) Public transit equipment or facilities; and

(3) The operation of the United States Department of Transportation Federal Transit Administration assistance programs.

19-26-304. Military 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 "Military Family Relief Trust Fund".

(b)(1) All moneys collected under § 26-51-2506 shall be deposited into the State Treasury to the credit of the fund.

(2) The fund shall also consist of any other revenues authorized by law.

(c) The fund shall be used exclusively by the Adjutant General or his or her designee to assist members and families of members of the Arkansas National Guard and reserve components of the armed forces.

(d) The Treasurer of State shall credit to the fund the amount certified each quarter in accordance with § 26-51-2506.

(e)(1) The moneys credited to the fund shall be held as trust funds in interest-bearing accounts only.

(2) All interest earned shall be credited to the fund and shall be used only for the purposes of the fund.

(f) 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 Military Family Relief Check-off Program.

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.

(c) The fund may be used to:

(1) Provide for payment of all or a part of debt service on bonds and to directly fund superprojects on a pay-as-you-go basis as provided in § 15-4-3012; or

(2) Fund projects authorized under Arkansas Constitution, Amendment 82.

19-26-308. Division of Workforce Services Training 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 Training Trust Fund”.

(b) The fund shall consist of:

(1) The proceeds of the administrative assessment specified in § 11-10-706(c)(3) and any interest accruing on these revenues; and

(2) Any other funds made available by the General Assembly.

(c) The fund shall be used for worker training under rules promulgated by the Director of the Division of Workforce Services.

(d) The director shall report to the Legislative Council on a quarterly basis on all uses of the fund.

19-26-309. Public School 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 “Public School Insurance Trust Fund”.

(b) The Public School Insurance Trust Fund shall consist of:

(1) A Permanent Insurance Reserve Fund, insurance premiums, adjustments, earnings, interest income, and the like, as provided by the Public Elementary and Secondary School Insurance Act, § 6-20-1501 et seq., and the School Motor Vehicle Insurance Act, § 6-21-701 et seq.;

(2) All funds transferred from the former Public Elementary and Secondary School Insurance Fund established under §§ 6-20-1510 [repealed] and former 19-5-908 [repealed]; and

(3) All funds transferred from the former School Vehicle Insurance Reserve Trust Fund established under § 6-21-710.

(c)(1) The Public School Insurance Trust Fund shall be used for the operation, maintenance, and execution of the Public Elementary and Secondary

School Insurance Program under the Public Elementary and Secondary School Insurance Act, § 6-20-1501 et seq., and the Public School Motor Vehicle Insurance Program under the School Motor Vehicle Insurance Act, § 6-21-701 et seq.

(2) No money shall be appropriated from the Public School Insurance Trust Fund for any purpose except for the use and benefit of the Public Elementary and Secondary School Insurance Program and the Public School Motor Vehicle Insurance Program.

(3) All funds received by the State Insurance Department in the administration of the Public Elementary and Secondary School Insurance Program and the Public School Motor Vehicle Insurance Program as premiums, adjustments, earnings, and the like:

(A) Shall be used for the following purposes, listed in a descending order of priority:

(i) To defray administrative costs;

(ii) To pay claims; and

(iii) To maintain the Public School Insurance Trust Fund; and

(B) May be invested and reinvested as the Insurance Commissioner may determine.

(4) Moneys invested and interest earned thereon shall be administered as program funds.

(5) All moneys deposited into the Public School Insurance Trust Fund shall not be subject to any deduction, tax, levy, or any other type of assessment.

(d) The initial loan from the former Public Elementary and Secondary School Insurance Fund as established by the Public Elementary and Secondary School Insurance Act, § 6-20-1501 et seq., of one million five hundred thousand dollars ($1,500,000) to fund the former School Vehicle Insurance Reserve Trust Fund established under the School Motor Vehicle Insurance Act, § 6-21-701 et seq., is cancelled.

19-26-310. Arkansas Fair Housing Commission 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 Fair Housing Commission Trust Fund”.

(b) The fund shall consist of:

(1) Moneys received by the Arkansas Fair Housing Commission;

(2) Administrative or civil penalties levied and collected pursuant to § 16-123-301 et seq.; and

(3) Any other moneys provided by the General Assembly.

(c) The fund shall be used for fair housing education of the public and the operational expenses of the commission, as provided in § 16-123-301 et seq.

19-26-311. Animal Rescue and Shelter Trust Fund — Definition.

(a) As used in this section, "registered governmentally owned animal rescue shelter" means an animal rescue or shelter owned by a county or municipality that has submitted notice to the Department of Finance and Administration as required under subsection (f) of this section and is on the official list of registered governmentally owned animal rescue shelters prepared by the Secretary of the Department of Finance and Administration under subsection (f) of this section.

(b) 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 "Animal Rescue and Shelter Trust Fund".

(c) The fund shall consist of those special revenues as specified in § 27-24-1409(c)(1)(B) and any other revenues as may be authorized by law.

(d) The fund shall be distributed as follows:

(1) Thirty-five percent (35%) is distributed to and used by the counties as follows:

(A) Each county that has at least one (1) registered governmentally owned animal rescue shelter shall receive a proportional distribution based on the county's population as determined by the most recent federal decennial census;

(B) Funding received by a county under this subdivision (d)(1) shall be used exclusively for the construction, maintenance, or operation of registered governmentally owned animal rescue shelters; and

(C) A county may contract with or provide grants to a private nonprofit organization for the operation of the registered governmentally owned animal rescue shelter;

(2) Thirty-five percent (35%) is distributed to and used by

municipalities as follows:

(A) Each municipality that has at least one (1) registered governmentally owned animal rescue shelter shall receive a proportional distribution based on the municipality's population as determined by the most recent federal decennial census;

(B) Funding received by a municipality under this subdivision (d)(2) shall be used exclusively for the construction, maintenance, or operation of registered governmentally owned animal rescue shelters; and

(C) A municipality may contract with or provide grants to a private nonprofit organization for the operation of the registered governmentally owned animal rescue shelter; and

(3)(A) Thirty percent (30%) is distributed to the Rural Services Division of the Arkansas Economic Development Commission to provide grants to a county or municipality based only on the infrastructure needs for animal rescues or animal shelters.

(B) Moneys distributed under this section shall not be limited to registered governmentally owned animal rescue shelters but shall be used exclusively for infrastructure needs for animal rescues or animal shelters.

(e) Any funds received by a county or municipality under subsection (d) of this section that are not used within one (1) year from the date of receipt by the county or municipality must be returned to the fund.

(f)(1)(A) On or before October 1, 2009, a county or municipality that owns one (1) or more animal rescues or animal shelters on the date that notification is mailed shall notify the secretary in writing to qualify for funding under this section.

(B) The notification under subdivision (f)(1)(A) of this section shall include the physical address and telephone number of each animal rescue or animal shelter that the county or municipality owns.

(2)(A) On or before October 15, 2009, the secretary shall provide the Treasurer of State with a list of each county and municipality that has registered as owning an animal rescue shelter.

(B) The list submitted by the department shall be known as the official list of registered governmentally owned animal rescue shelters that are eligible to receive funding under subdivisions (d)(1) and (2) of

this section.

(C) The list submitted by the department shall include the physical address, telephone number, and the municipality, if applicable, and county in which the registered governmentally owned animal rescue shelter is located.

(3)(A) A county or municipality that begins to own or operate an animal rescue or animal shelter after October 1, 2009, may notify the department in the same manner as provided under subdivision (f)(1) of this section and shall begin to receive funds under subdivisions (d)(1) and (2) of this section on the first distribution by the Treasurer of State following sixty (60) days after written notice to the department was received.

(B) As soon as practicable to ensure that a county or municipality that begins to own or operate a registered governmentally owned animal rescue shelter after October 1, 2009, the department shall revise the official list of registered governmentally owned animal rescue shelters to include the addition of the most recent registered governmentally owned animal rescue shelters and provide the list to the Treasurer of State.

19-26-312. Division of Environmental Quality Fee Trust Fund.

(a) This 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 Environmental Quality Fee Trust Fund”.

(b) The fund shall consist of those special revenues as specified in § 19-42-201(104).

(c) The fund shall be used to defray the costs of operating the Division of Environmental Quality as set out in §§ 8-1-101 — 8-1-107.

19-26-313. Lottery 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 “Lottery Trust Fund”.

(b) The Lottery Trust Fund shall consist of funds transferred from the Budget Stabilization Trust Fund.

(c) The Lottery Trust Fund shall also consist of other moneys as may be authorized by law.

(d) The Lottery Trust Fund shall be used for personal services and

operating expenses associated with the Office of the Arkansas Lottery.

19-26-314. Water Performance Bond 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 "Water Performance Bond Fund".

(b) The fund shall consist of the following:

(1) Funds appropriated by the General Assembly;

(2) All forfeitures collected under § 8-4-201 et seq.;

(3) Grants made by a person or the United States Government;

(4) Gifts and donations; and

(5) Interest earned on the moneys deposited into the fund.

(c) The fund shall be used by the Division of Environmental Quality to hire a third-party contractor to:

(1) Take remedial action, including without limitation corrective action, the closure of a nonmunicipal domestic sewage treatment works, and any other action the Director of the Division of Environmental Quality determines to be necessary; or

(2) Maintain and operate a nonmunicipal domestic sewage treatment works.

19-26-315. Nonmunicipal Domestic Sewage Treatment Works 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 "Nonmunicipal Domestic Sewage Treatment Works Trust Fund".

(b) The fund shall consist of:

(1) Funds appropriated by the General Assembly;

(2) Trust fund contribution fees under § 8-4-203(b);

(3) Grants made by any person, state agency, or federal government agency;

(4) Gifts and donations; and

(5) Interest earned on the moneys deposited into the fund.

(c)(1) The fund shall be used by the Division of Environmental Quality to ensure adequate operation, maintenance, and completed closure of a nonmunicipal domestic sewage treatment works if the Director of the Division of Environmental Quality determines that an owner or operator has not

adequately operated, maintained, or completed closure of the nonmunicipal domestic sewage treatment works.

(2) If the director determines that an owner or operator has not adequately operated, maintained, or completed closure of the nonmunicipal domestic sewage treatment works, the division may use moneys in the fund to hire a third-party contractor to:

(A) Take remedial action, including without limitation corrective action;

(B) Initiate or complete the closure of a nonmunicipal domestic sewage treatment works;

(C) Maintain and operate a nonmunicipal domestic sewage treatment works; or

(D) Take any other action the director determines to be necessary to carry out the purposes of this section and § 8-4-203(b).

(3) The fund may be used by the division to do the following:

(A) Provide reimbursement to a nonmunicipal domestic sewage treatment works under § 8-4-203(b);

(B) Provide technical support to nonmunicipal domestic sewage treatment works to promote adequate operation, maintenance, or completed closure of a facility; and

(C) Pay reasonable costs and expenses of the division for administering the fund.

19-26-316. Social Innovation 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 “Social Innovation Fund”.

(b) The fund shall consist of:

(1) Any loans, investments, or other amounts received by the Division of Community Correction under the Pay-for-Success Act, § 12-27-201 et seq.;

(2) Grants made by any person or federal government agency; and

(3) Any other funds authorized or provided by law.

(c) The fund shall be used by the division to make any payments required under the Pay-for-Success Act, § 12-27-201 et seq.

19-26-317. Accountability Court 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 "Accountability Court Fund".

(b) The fund shall consist of:

(1) Grants made by any person or federal government agency; and

(2) Any other funds authorized or provided by law.

(c) The fund shall be used by the Administrative Office of the Courts for adult and juvenile specialty court programs as defined under § 16-10-139, based upon a formula to be developed by the Arkansas Judicial Council, Inc., reviewed by the Specialty Court Program Advisory Committee, and approved by the Legislative Council.

19-26-318. Arkansas Healthcare Transparency Initiative 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 Healthcare Transparency Initiative Fund".

(b)(1) The fund shall be an interest-bearing account and may be invested in the manner permitted by law, with the interest income a proper credit to the fund and which shall not revert to general revenue, unless otherwise designated in law.

(2) The fund shall be overseen by the State Insurance Department and shall be used to pay all proper costs incurred in implementing the provisions of the Arkansas Healthcare Transparency Initiative Act of 2015, § 23-61-901 et seq.

(c) The following moneys shall be paid into the fund:

(1) Penalties imposed on submitting entities pursuant to the Arkansas Healthcare Transparency Initiative Act of 2015, § 23-61-901 et seq., and rules promulgated under the Arkansas Healthcare Transparency Initiative Act of 2015, § 23-61-901 et seq.;

(2) Appropriations from the General Assembly; and

(3) All other subscription fees or payments made by third parties to the department for data access.

(d) Activities of the Arkansas Healthcare Transparency Initiative Board and the availability of data as authorized in § 23-61-905(c)(1) are contingent upon available funding.

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 §

8-9-404 to the credit of the Used Tire Recycling Fund.

(2) The Used Tire Recycling Fund shall consist of:

(A) Penalties assessed and collected under the Used Tire Recycling and Accountability Act, § 8-9-401 et seq.;

(B) Interest, earnings, and any other revenues as may be authorized by law;

(C) Any United States Government moneys designated for deposit into the Used Tire Recycling Fund;

(D) Any gift or donation to the Used Tire Recycling Fund; and

(E) Those special revenues specified in § 8-9-404 and § 19-42-201(165).

(3) The Used Tire Recycling Fund shall not include:

(A) Five percent (5%) of the rim removal fee retained for administrative costs by tire retailers under § 8-9-404(a)(5)(B) and commercial generators under § 8-9-404(d)(5)(B);

(B) The percentage of net special revenue deducted and deposited to the credit of the Special Revenue Fund Account under § 19-21-103; or

(C) Seven percent (7%) deducted from the proceeds of fees imposed under § 8-9-404 and deposited into the Division of Environmental Quality Fee Trust Fund under § 8-9-404(b)(1)(B), § 8-9-404(c)(3)(A)(ii), and § 8-9-404(d)(7)(B).

(c)(1) At least ninety percent (90%) of the moneys available in the Used Tire Recycling Fund each fiscal year shall be used by the Division of Environmental Quality to provide reimbursements to used tire programs, to administer the Used Tire Recycling and Accountability Program, and to perform other duties under the Used Tire Recycling and Accountability Act, § 8-9-401 et seq.

(2) The Director of the Division of Environmental Quality may use not more than ten percent (10%) of the moneys available in the Used Tire Recycling Fund each fiscal year:

(A) For waste tire site abatement aid;

(B) For the development, implementation, and maintenance of the electronic uniform used tire manifest system; and

(C) To provide market and economic stimulus incentives.

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

(B) To the Treasurer of State the amount of Arkansas major historic rehabilitation income tax credits claimed during the current fiscal year; and

(2) On July 1 of each year, the Treasurer of State shall transfer the amount certified under subdivision (c)(1)(B) of this section to the General Revenue Fund Account to be distributed as authorized under § 19-21-102(b)(2)(B)(vi).

19-26-324. University of Arkansas for Medical Sciences National Cancer Institute Designation Trust Fund — Report.

(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 National Cancer Institute Designation Trust Fund".

(b) The fund shall consist of:

(1) Moneys obtained from private grants or other sources that are designated to be credited to the fund; and

(2) Any other funds authorized or provided by law.

(c) The fund shall be used by the Winthrop P. Rockefeller Cancer Institute at the University of Arkansas for Medical Sciences solely to achieve and maintain status as a National Cancer Institute-Designated Cancer Center.

(d) The Treasurer of State shall invest the moneys available in the fund.

(e)(1) The investment of funds under this section is exempt from § 19-3-318(a)(2)(B)(i)(b) and (c).

(2) Moneys in the fund may be invested in any instrument:

(A) Listed in § 19-3-318(b)(1)(B); and

(B) Approved by the guidelines established by the State Treasury investment policy approved by the State Board of Finance.

(f) Moneys remaining in the fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

(g)(1) The Winthrop P. Rockefeller Cancer Institute at the University of Arkansas for Medical Sciences shall submit a semiannual report containing the following information to the Governor; the Legislative Council or, if the

General Assembly is in session, the Joint Budget Committee; the Senate Committee on Public Health, Welfare, and Labor; and the House Committee on Public Health, Welfare, and Labor:

(A) The balance of the fund as of the reporting date;

(B) A list of the administrative costs paid for from the fund, including without limitation salaries, pensions, and packages;

(C) The total revenue received by the fund during the reporting period; and

(D) A detailed description of the steps taken and the progress made toward achieving status as a National Cancer Institute-Designated Cancer Center during the reporting period.

(2) The semiannual report required under this subsection shall be submitted by January 1 and July 1 of each year.

19-26-325. Arkansas Public Safety 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 Public Safety Trust Fund".

(b)(1) The fund shall be an interest-bearing account and may be invested in the manner permitted by law, with the interest income a proper credit to the fund and which shall not revert to general revenue.

(2) The fund shall be overseen by the Division of Emergency Management and shall be used to pay all authorized expenditures and proper costs as described in subsections (d) and (e) of this section.

(c) The fund shall consist of:

(1) Public safety charges assessed and collected under § 12-10-318(b) and § 12-10-326; and

(2) Any other moneys as authorized by law.

(d) On or before the fifteenth business day of December 2019 and on the fifteenth business day of each month thereafter, up to fourteen thousand dollars ($14,000) of the moneys in the fund shall be distributed to the division to provide administrative support for the fund.

(e) On or before the fifteenth business day of July 2020 and on the fifteenth business day of each fiscal quarter thereafter, moneys in the fund shall be distributed as follows:

(1) Up to sixty-two thousand five hundred dollars ($62,500) to

the Arkansas Commission on Law Enforcement Standards and Training; and

(2) Up to two million dollars ($2,000,000) to the division to support upgrades and maintenance for the Arkansas Wireless Information Network.

(f) Between December 2019 and June 2020, the fund shall withhold moneys necessary to make the distributions under subsections (d) and (e) of this section.

(g) Each month after the distributions under subsections (d)-(f) of this section are satisfied, all remaining funds in the fund shall be transferred to the Arkansas 911 Board.

(h) Subsections (d)-(g) of this section shall be applied for fiscal year 2021 and each successive fiscal year.

19-26-326. Arkansas Firefighter Cancer Relief Network 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 Firefighter Cancer Relief Network Trust Fund”.

(b)(1) The State Insurance Department shall deposit into the State Treasury one hundred percent (100%) of the moneys collected under § 21-5-110 to the credit of the fund.

(2) The fund shall consist of funds donated under § 21-5-110 and any other moneys as may be provided by law.

(c) The fund shall be used for providing funds for relief for firefighters who are diagnosed with cancer and participating in a firefighter cancer relief network under § 21-5-110.

19-26-327. Rural Broadband I.D. Expenses Trust Fund — Creation — Purpose — Definitions.

(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 “Rural Broadband I.D. Expenses Trust Fund”.

(b) The Rural Broadband I.D. Expenses Trust Fund shall be used for one-time grants for the defrayment of expenses for broadband due-diligence business studies incurred by prospective federal broadband program applicants, in anticipation of and before application for funding from:

(1) The Federal Communications Commission’s Rural Digital

Opportunity Fund program;

(2) The United States Department of Agriculture's Rural eConnectivity Pilot Program, otherwise known as the "ReConnect Program";

(3) The United States Department of Agriculture's "Farm Bill"; or

(4) Other federal grants or loans for broadband development programs.

(c) The Rural Broadband I.D. Expenses Trust Fund shall consist of funds authorized or provided by law.

(d) Broadband due-diligence business studies shall be conducted and concluded within one hundred eighty (180) days of the receipt of the Rural Broadband I.D. Expenses Trust Fund grant.

(e) Upon receipt of a Rural Broadband I.D. Expenses Trust Fund grant, the local entity shall file a surety bond for the benefit of the State of Arkansas with the Treasurer of State in the amount of the Rural Broadband I.D. Expenses Trust Fund grant for assurance that the Rural Broadband I.D. Expenses Trust Fund grant is utilized for broadband due-diligence business studies.

(f) As used in this section:

(1)(A) "Broadband due-diligence business studies" means analytical research designed to acquire the data necessary to support applications for federal grants or loans for broadband development programs.

(B) "Broadband due-diligence business studies" includes without limitation:

(i) Full feasibility determinations, including economic business plans;

(ii) Twenty-year financial break-even analysis;

(iii) Competitive broadband analysis;

(iv) Demographic analysis, with comparison to other projects;

(v) The ordering of construction plans to maximize return; and

(vi) Analysis of federal funding opportunities; and

(2) "Local entity" means a county, including without limitation an unincorporated community within a county, a city of the first class, a city of the second class, and an incorporated town.

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

Industry Development 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 Supplemental Digital Product and Motion Picture Industry Development Trust Fund carried forward from year to year; and

(3) Any other moneys authorized or provided by law.

(c) The Arkansas Supplemental Digital Product and Motion Picture Industry Development Trust Fund shall be used to offset the costs of supplemental digital product and motion picture incentive act tax credits allowed under § 15-4-2014, as follows:

(1)(A) At the request of the Secretary of the Department of Commerce, the Secretary of the Department of Finance and Administration shall certify to the Arkansas Economic Development Commission the amount in the Arkansas Supplemental Digital Product and Motion Picture Industry Development Trust Fund.

(B) The amount certified under subdivision (c)(1)(A) of this section is the maximum amount of supplemental digital product and motion picture industry development tax credits that may be approved; and

(2) On the first day of the month following the certification in subdivision (c)(1) of this section, the Treasurer of State shall transfer the amount certified under subdivision (c)(1) of this section to the General Revenue Fund Account to be distributed as authorized under § 19-21-102(b)(2)(B)(iii).

19-26-331. Monument to Unborn Children Display 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 “Monument to Unborn Children Display Fund”.

(b) The fund shall consist of gifts, grants, and donations from individuals and organizations as provided under the Monument to Unborn Children Display Act, § 22-3-223, 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 commemorating unborn children aborted during the era of Roe v. Wade, 410 U.S. 113 (1973), as provided in the Monument to Unborn Children Display Act, § 22-3-223.

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

Workforce Trust Fund".

(b) The fund shall consist of:

(1) Moneys obtained from private grants or other sources that are designated to be credited to the fund; and

(2) Any other funds authorized or provided by law.

(c)(1) The fund shall be used by the University of Arkansas for Medical Sciences solely to open and offer programs in education and training, including without limitation:

(A) Obstetrician-gynecologist residencies and fellowships;

(B) Family practice obstetrician fellowships;

(C) Nursing Midwife certifications;

(D) Doula certifications;

(E) Maternal community health worker training; and

(F) Maternal therapist certifications.

(2) The University of Arkansas for Medical Sciences shall prioritize spending and allocating funds in a manner to maximize impact of the expanded maternal health workforce considering the recommendations of the Maternal Mortality Review Committee.

(d) Funds may be allocated to student financial aid in the form of scholarships and loans for students who agree to:

(1) Participate in programs offered by the University of Arkansas for Medical Sciences; and

(2) Practice in the State of Arkansas for at least two (2) years.

(e) The Treasurer of State shall invest the moneys available in the fund.

(f)(1) The investment of funds under this section is exempt from § 19-3-318(a)(2)(B)(i)(b) and (c).

(2) Moneys in the fund may be invested in any instrument:

(A) Listed in § 19-3-318(b)(1)(B); and

(B) Approved by the guidelines established by the State Treasury investment policy approved by the State Board of Finance.

(g) Moneys remaining in the fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

(h)(1) The University of Arkansas for Medical Sciences shall submit a

semiannual report containing the following information to the Governor; the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee; the Senate Committee on Public Health, Welfare, and Labor; and the House Committee on Public Health, Welfare, and Labor:

(A) The balance of the fund as of the reporting date;

(B) A list of the administrative costs paid for from the fund, including without limitation salaries, pensions, and packages;

(C) The total revenue received by the fund during the reporting period; and

(D) A detailed description of the steps taken and the progress made toward addressing the maternal health workforce needs of Arkansas during the reporting period.

(2) The semiannual report required under this subsection shall be submitted by January 1 and July 1 of each year.

CHAPTER 27
MISCELLANEOUS FUNDS

Subchapter 1. General Provisions [Reserved.]
Subchapter 2. Enumeration of Miscellaneous Funds
Subchapter 3. Enumeration of Miscellaneous Funds, Continued

Subchapter 1 — General Provisions [Reserved.]

Subchapter 2 — Enumeration of Miscellaneous Funds

19-27-201. Publication Development and Resale 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 “Publication Development and Resale Revolving Fund”.

(b) The fund shall consist of income derived from the sale of publications by the Division of Arkansas Heritage, there to be used to develop or purchase additional publications for resale.

(c) The fund shall be administered by the Central Administration Division of the Department of Parks, Heritage, and Tourism.

(d) Any funds remaining in the fund from which it derives its support

at the end of each fiscal year shall carry forward and be made available for the same purpose for the next fiscal year.

19-27-202. Motor Vehicle Acquisition 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 "Motor Vehicle Acquisition Revolving Fund".

(b) The fund shall be financed by:

(1) Its proportionate share of moneys made available from the allocation of general revenues as authorized by the Revenue Stabilization Law, § 19-20-101 et seq.;

(2) Moneys made available upon the disposal of used vehicles, which moneys shall be deposited to the credit of the Motor Vehicle Acquisition Revolving Fund rather than being deposited to the owing state agency's fund;

(3) Deposits of moneys from benefiting state agencies; and

(4) Transfers from other State Treasury funds and fund accounts of benefiting state agencies.

(c) The fund shall be used for the purpose of acquiring motor vehicles as authorized by §§ 22-8-201 — 22-8-209.

19-27-203. Historic Preservation Revolving Loan 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 Historic Preservation Revolving Loan Fund.

(b) The fund shall consist of:

(1) Private funds;

(2) Federal funds;

(3) Any portion of real estate transfer taxes deemed appropriate by the Arkansas Historic Preservation Program; and

(4) Repayment of loans made pursuant to the Historic Preservation Loan Act, § 13-7-501 et seq.

(c) The fund shall be used to make loans as provided in the Historic Preservation Loan Act, § 13-7-501 et seq., as administered by the Arkansas Historic Preservation Program.

19-27-204. General Revenue Allotment Reserve 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 “General Revenue Allotment Reserve Fund”.

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

(1) The remainder of the general revenues collected by the state after deductions as specified in § 19-21-102 have been made and which are not required to fulfill the requirements of the maximum allotments of general revenues as may be provided in the Revenue Stabilization Law, § 19-20-101 et seq., for the fiscal year in which the general revenues were collected and deposited into the State Treasury; and

(2) The portion not determined to be special revenues by § 19-40-110 of the year-end fund balances of the funds and fund accounts created in § 19-22-102, except for § 19-22-102(11)(A), and in § 19-22-104(2), (7), and (10), §§ 19-22-106, 19-22-107, 19-43-203, and 19-43-210, which fund balances are to be transferred on or before August 15 of the fiscal year next following the fiscal year during which balances accrued.

(c) Any funds that remain in the Division of Career and Technical Education Fund Account or the fund accounts created in § 19-22-104(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 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 Development and Enhancement Fund.

(d) However, any funds that remain in the General Revenue Allotment Reserve Fund or in the funds or fund accounts subject to this section that have been reappropriated by the General Assembly may be carried forward from one fiscal year to the next, in such amounts that do not exceed the actual remaining balance of available appropriation as certified by the Chief Fiscal Officer of the State.

(e) The General Revenue Allotment Reserve Fund shall be used for such purposes as may be authorized by law.

19-27-205. Development and Enhancement 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 "Development and Enhancement Fund".

(b) The Development and Enhancement Fund shall consist of those special revenues specified in § 19-42-201(171) and any other funds made available by the General Assembly from time to time.

(c) The Development and Enhancement Fund shall be used to provide financing of various projects authorized by the General Assembly and to make temporary loans 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.

19-27-206. Disaster Assistance 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 "Disaster Assistance Fund".

(b) The Disaster Assistance Fund shall consist of moneys received from the Budget Stabilization Trust Fund in such amounts as may be required to provide state moneys for each declared emergency or major disaster as required by the Arkansas Emergency Services Act of 1973, § 12-75-101 et seq., but not to exceed in the aggregate the sum of sixteen million two hundred fifty thousand dollars ($16,250,000) per fiscal year.

(c)(1) The Chief Fiscal Officer of the State may authorize temporary loans of moneys from the Budget Stabilization Trust Fund to the Disaster Assistance Fund for making available immediate payments to individuals, families, and public assistance grants for providing assistance to such recipients that may be eligible for federal assistance.

(2)(A) These temporary loans shall be repaid to the Budget Stabilization Trust Fund upon receipt of any federal funds for each declared emergency.

(B) For each declared emergency, the temporary loans shall be repaid on or before June 30 in the year the loan was made.

(C) However, the temporary loan shall not be necessarily

repaid on or before June 30 of the fiscal year in which the loan was made, but may be repaid upon availability of federal moneys for such purpose.

(d)(1) Funds credited to the Disaster Assistance Fund shall be used for making grants, loans, and assistance payments, as authorized by the Arkansas Emergency Services Act of 1973, § 12-75-101 et seq., and applicable federal laws for making grants and assistance payments to eligible recipients enumerated in the Arkansas Emergency Services Act of 1973, § 12-75-101 et seq.

(2) The moneys or funds may also be used for making refunds of federal moneys or funds advanced or determined to be ineligible disbursements.

19-27-207. Special Military 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 “Special Military Fund”.

(b) The Special Military Fund shall consist of federal reimbursement received on account of eligible expenditures by the Department of the Military.

(c) The Special Military Fund shall be used to provide funding wholly or partially for appropriations made payable from the Special Military Fund and to provide supplemental support, to the extent necessary, to the Department of the Military Fund Account of the State General Government Fund, there to be used solely for the programs of the department.

19-27-208. Armory Construction 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 “Armory Construction Fund”.

(b) The fund shall consist of proceeds derived from the sale or other disposition of National Guard armories or property thereof.

(c) The fund shall be used for the construction, improvement, or equipping of National Guard armories or for such other purposes as may be provided by law.

19-27-209. Miscellaneous 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 "Miscellaneous Revolving Fund".

(b) The Miscellaneous Revolving Fund shall consist of such general revenues as may be provided by the Revenue Stabilization Law, § 19-20-101 et seq., and moneys transferred from the Budget Stabilization Trust Fund in such amounts as may be required to provide funding for authorized expenditures as appropriated by the General Assembly for:

(1) The Governor's Emergency Fund;

(2) Noncontroversial claims;

(3) Small controversial claims;

(4) Claims awarded to surviving spouses or dependent children of deceased police officers, firefighters, and Arkansas Department of Transportation employees killed in performing their official duties;

(5) Workers' compensation claims for municipal and county employees;

(6) Claims for payment of college scholarships to surviving children of law enforcement officers and firefighters killed in the official line of duty;

(7) Miscellaneous tax refunds; and

(8) Livestock and poultry indemnities, not to exceed those amounts appropriated by the General Assembly for the then-current biennial period.

(c)(1) Excepting disbursement for livestock and poultry indemnities, claims awarded to surviving spouses or dependent children of deceased police officers, firefighters, and highway employees, college scholarships to surviving children of law enforcement officers and firefighters killed in the official line of duty, and workers' compensation claims for municipal and county employees, the various funds shall reimburse the Miscellaneous Revolving Fund for expenditures made for which the Miscellaneous Revolving Fund is the beneficiary, upon request by the Chief Fiscal Officer of the State.

(2) This reimbursement shall be done after determining that it will not jeopardize the then-current fiscal year's operation of the affected state agency or State Treasury fund from which the agency is being supported.

(3) The reimbursements shall be made to reimburse the Budget

Stabilization Trust Fund.

19-27-210. Property Sales Holding 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 "Property Sales Holding Fund".

(b) The fund shall consist of the proceeds of property sold, transferred, or rented by the Marketing and Redistribution Section, as authorized by law, and such other funds as may be authorized by law.

(c) The fund shall be used for the expenditure of proceeds from the sale or disposition of property by the benefiting state agency and for the maintenance, operation, and improvement of the Marketing and Redistribution Section.

19-27-211. Crime Information System Fund.

(a) This 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 "Crime Information System Fund".

(b)(1) The Crime Information System Fund shall consist of:

(A) Those special revenues as specified in §§ 19-42-201(14) and 19-6-301(235)

(B) Thirty-eight percent (38%) of the fees collected under § 12-12-1510(c);

(C) Fifty percent (50%) of the fees collected under § 12-12-1012;

(D) Allocations of general revenues as authorized by the General Assembly;

(E) Moneys transferred or deposited from the State Administration of Justice Fund; and

(F) Any federal grants and aid or reimbursements as may be received.

(2) The Crime Information System Fund shall be used for the maintenance, operation, improvement, and necessary expenditures for administering the Arkansas Crime Information System.

(3) The Crime Information System Fund may be used for personal services and operating expenses as provided by law.

(c) The then-current year allocations of general revenues not used or needed for current year operations shall be transferred by the Chief Fiscal Officer of the State to the General Revenue Allotment Reserve Fund.

(d) Beginning July 1, 2013, excluding the disposal fees that are to be deposited into the Marketing Recyclables Program Fund under § 8-6-607(b)(2), the first one hundred fifty thousand dollars ($150,000) of fees collected each fiscal year under § 8-6-607 shall be deposited into the State Treasury and credited to the Crime Information System Fund to be used exclusively for the scrap metal logbook program.

(e) Notwithstanding any other rule or provision of law to the contrary, the Arkansas Crime Information Center may transfer appropriation from the Contingency line item authorized for the Arkansas Crime Information Center to the Scrap Metal Logbook line item appropriation.

(f) Moneys remaining in the Crime Information System Fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

19-27-212. Performance 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 “Performance Fund”.

(b) The Performance Fund shall be used for transfer of funds and appropriations to various state agencies, funded, in whole or in part, with general revenues, for regular salary and personal services matching adjustments authorized by the General Assembly and to award raises to employees based upon the performance evaluation system and in accordance with rules promulgated by the Chief Fiscal Officer of the State and which do not have sufficient funding or appropriations to pay for the raises or increases.

(c) The Performance Fund shall consist of those general revenues provided by law.

(d) Any references to the Merit Adjustment Fund in this Code or acts of the General Assembly, including without limitation appropriation acts, shall be deemed and interpreted as the Performance Fund.

19-27-213. Child Support Enforcement 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 “Child Support Enforcement Fund”.

(b) The Child Support Enforcement Fund shall consist of:

(1) The state share of funds collected by the Office of Child Support Enforcement that were previously paid by the state as Aid to Families with Dependent Children payments;

(2) All incentive payments received from the United States Government for both Aid to Families with Dependent Children and non-Aid to Families with Dependent Children collections;

(3) All amounts received as reimbursement from the state and federal programs; and

(4) All amounts earned as interest on these amounts.

(c) The Child Support Enforcement Fund shall be used for deposit of funds collected by the Office of Child Support Enforcement under Title IV, Part D, of the Social Security Act.

(d)(1) It is the intent of the General Assembly that the Office of Child Support Enforcement operated under Title IV, Part D, of the Social Security Act utilize funds retained in the Child Support Enforcement Fund for operation and improvement of the program in this state.

(2) All funds accumulated in the Child Support Enforcement Fund shall be retained by the program to pay expenses incurred in the operation and improvement of the program in Arkansas.

19-27-214. Rural Fire Protection 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 “Rural Fire Protection Revolving Fund”.

(b) The fund shall consist of such general revenues as may be provided by law and any other funds made available by § 14-284-301 et seq.

(c) The fund shall be used as provided in § 14-284-305.

19-27-215. Higher Education Building Maintenance 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 “Higher Education Building Maintenance Fund”.

(b) The Higher Education Building Maintenance Fund shall consist of

those moneys received by the state under § 19-7-501(b)(1) after having been transferred from the General Revenue Fund Account as specified in subsection (c) of this section.

(c) At the close of each quarter of each state fiscal year, the Chief Fiscal Officer of the State shall cause to be transferred on the books and on those of the Treasurer of State from the General Revenue Fund Account to the Higher Education Building Maintenance Fund an amount equal to those funds received under § 19-7-501(b)(1) during the quarter just closed.

(d) The funds accruing to the Higher Education Building Maintenance Fund under this section shall be disbursed by the Commissioner of the Division of Higher Education in accordance with the recommendations of the Arkansas Higher Education Coordinating Board, but only after the board determines the projects and priorities for which the funds shall be used, and after the board has sought the advice of the Legislative Council with respect to them.

19-27-216. County Solid Waste Management System Aid Fund — Definitions.

(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 "County Solid Waste Management System Aid Fund".

(b) The fund shall consist of such special or general revenues or other moneys that may be deposited into the County Solid Waste Management System Aid Fund as provided by the General Assembly, to be used for the purpose of providing financial assistance to counties in the manner provided in this section, for the establishment, expansion, maintenance, and operation of county solid waste collection and disposal systems.

(c) As used in this section:

(1) "County solid waste collection and disposal system" or "county solid waste management system" means:

(A) A county-owned and operated solid waste management and disposal system funded by moneys appropriated by the quorum court;

(B) A municipally owned and operated solid waste management and disposal system located within the county or adjoining counties, operated under contract with the county whereby the county is provided access thereto, and the quorum court appropriates funds to defray

the county's share of the cost of operating such facility;

(C) A privately owned solid waste management and disposal system located within the county, or an adjoining county, in which the county has entered into a contract providing access and services of the facility for the use and benefit of the county under the terms of which the county's share of the operating cost is funded by an appropriation made by the quorum court of the county; or

(D) A solid waste collection and disposal system operated by two (2) or more counties, or by one (1) or more counties and one (1) or more municipalities, or operated by a private owner, under a compact or agreement whereby each of the participating counties and municipalities has access to the facility and appropriates, through its governing body, funds to defray their respective shares of the cost of the facility; and

(2) "Solid waste management system" means the entire process of storage, collection, transportation, processing, treatment, and disposal of solid waste.

(d) All of the general revenues and special revenues and other funds deposited into the County Solid Waste Management System Aid Fund during each fiscal year shall be allocated by the Treasurer of State to each of the counties in the state, to be distributed to the counties only as provided in this section, on the basis of seventy-five percent (75%) divided equally among the seventy-five (75) counties of the state and twenty-five percent (25%) on the basis of population according to the most recent federal decennial census, with each county to receive an allocation of the funds in the proportion that its population bears to the total population of the state.

(e)(1) Before any county is eligible to receive its portion of the moneys in the County Solid Waste Management System Aid Fund during any fiscal year, the county, on or before the first day of the fiscal year, shall furnish the Treasurer of State the following information on forms to be developed by the Treasurer of State:

(A) Proof that the county operates, or is in the process of establishing, a solid waste management system for that county and that the solid waste management system is available to serve the residents of the county and may be available for service to various cities and towns within the counties through interlocal agreements, compacts, or authorities;

(B) That the quorum court of the county has established and approved a budget for the operation of the county solid waste management system for the fiscal year and has appropriated funds for it in an amount sufficient to support not less than fifty percent (50%) of the costs of operating the solid waste management system and that the funds appropriated for this purpose will be used solely for the cost of establishing, operating, and maintaining the solid waste management system, and for the hiring of personnel and for the acquisition of equipment and land required to operate the solid waste management system; and

(C) That the amount of funds allocated to the county for the year under this section shall be used exclusively for establishing, operating, and maintaining the solid waste management system, meeting the requirements of this section, including the acquisition of land, and acquisition, maintenance, repair, and operation of equipment used in connection with the operation of the solid waste management system.

(2)(A) If any county fails, during any fiscal year, to expend an amount of county funds equal to at least fifty percent (50%) of the cost of operating its solid waste management system, or uses any of the state funds allocated under this section for any purpose other than as intended by it, the county shall be ineligible to receive moneys during the next-following fiscal year from the County Solid Waste Management System Aid Fund.

(B) However, the quorum court may make reapplication for state assistance funds during the year thereafter, upon offering the appropriate assurances in writing that it will meet the full requirements of the intent and purposes of this section in the use of the funds.

(f)(1) The moneys saved from legislation enacted by the Seventy-Fifth General Assembly that reduced contributions made by the state for state employees who are employed by a state agency funded, in whole or in part, with general revenues shall be set aside and implemented by the Chief Fiscal Officer of the State and the Treasurer of State in the amount and in accordance with procedures set forth in this subsection:

(A) Beginning the month after the month in which the reductions in retirement contributions occur, the Chief Fiscal Officer of the State shall determine the amount of the general revenue savings, by fund or fund account, based upon the previous month's payroll deductions for retirement contributions to the Arkansas Public Employees' Retirement System;

(B) During each fiscal year, the Chief Fiscal Officer of the State shall cause to be transferred on the books and those of the Treasurer of State the amount of the monthly general revenue savings from each affected fund or fund account to the Revenue Holding Fund Account before the close of business on the last day of each month until an aggregate of five million dollars ($5,000,000) of the general revenue savings during a fiscal year has been transferred to the Revenue Holding Fund Account from those sources. Monthly transfers of the general revenue savings to the Revenue Holding Fund Account shall then cease for the remainder of the fiscal year; and

(C) After providing for the distribution of general revenues available for distribution, the Treasurer of State shall transfer the total amount of the general revenue savings as certified to the Treasurer of State by the Chief Fiscal Officer of the State from the Revenue Holding Fund Account to the County Solid Waste Management System Aid Fund. This amount shall be used to make monthly distributions from the County Solid Waste Management System Aid Fund in the manner provided by law to the respective counties of this state to be used for the support of the county solid waste management system as provided in this section.

(2)(A) If any county fails to qualify for its proportionate share of the moneys in the County Solid Waste Management System Aid Fund during any fiscal year, the moneys shall be reapportioned among various counties that qualify to receive their proportionate shares of the County Solid Waste Management System Aid Fund moneys during the fiscal year, in accordance with the distribution formula set forth in subsection (d) of this section.

(B) The Treasurer of State shall monthly distribute moneys to the eligible counties as authorized in this section in the same manner as other county aid funds are distributed, and the moneys shall be credited and used solely for the support and operation of the county solid waste management system.

19-27-217. Department of Human Services Renovation 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 Renovation Fund”.

(b) The fund shall be used for constructing, acquiring, renovating, maintaining, repairing, and equipping facilities of the Department of Human Services and for paying disallowances by the United States Government.

(c) The fund shall consist of:

(1) Federal reimbursement received by the department and deposited into the various fund accounts of the department;

(2)(A) General revenues transferred from the Division of Youth Services, the Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services, and the Division of Developmental Disabilities Services for the purposes of repairing, renovating, equipping, acquiring, and constructing department facilities with an annual maximum of five million dollars ($5,000,000).

(B) The projects for which these transfers are authorized shall be projects that:

(i) Were unanticipated during the preceding regular session of the General Assembly; and

(ii) If not carried out in the interim period between regular sessions of the General Assembly, would cause greater harm to the facilities, clients, or programs of the department than if carried out during the next regular session; and

(3) Other nongeneral revenue funds as may be available within the department that can be used for the purposes of the fund.

(d)(1) At the request of the Secretary of the Department of Human Services and upon certification of the availability of such funds, the Chief Fiscal Officer of the State shall initiate the necessary transfer documents to reflect the transfer on the books of record of the Treasurer of State, the Auditor of State, the Chief Fiscal Officer of the State, and the department.

(2) The secretary shall submit any transfer plan to and must receive approval of the plan from the Chief Fiscal Officer of the State, the Governor, and the Legislative Council before the effective date of the transfer.

(e) Any nongeneral revenue funding that may remain in the fund at the end of any fiscal year shall be carried over into the next fiscal year, and all obligated general revenue funding that may remain in the fund at the end of any fiscal year shall be carried over into the next fiscal year to satisfy any legal and contractual obligations that have been entered into before the

end of the fiscal year.

(f) Determining the amount of funds appropriated to a state agency is the prerogative of the General Assembly and is usually accomplished by delineating specific line items and by identifying the appropriation and funding attached to that line item. The General Assembly has determined that the department could be operated more efficiently if some flexibility is given to the department. That flexibility is being accomplished by providing transfer authority in subsection (d) of this section, and since the General Assembly has granted the department broad powers under the transfer authority concept, it is both necessary and appropriate that the General Assembly maintain oversight of the utilization of the transfer authority by requiring prior approval of the Legislative Council in the utilization of this transfer authority. Therefore, the requirement of approval by the Legislative Council is not a severable part of this section. If the requirement of approval by the Legislative Council is ruled unconstitutional by a court of competent jurisdiction, this entire section is void.

19-27-218. White River Navigation 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 “White River Navigation Fund”.

(b) The fund shall consist of moneys that may be appropriated for the fund by the General Assembly.

(c) The fund shall be used by the Arkansas Waterways Commission in making available the state funds that may be required by the United States Congress in connection with the White River Navigation Improvement Project, if the United States Congress authorizes the project, and shall provide funds to the United States Army Corps of Engineers for the project, conditioned upon the State of Arkansas’ providing financial assistance in connection with defraying a portion of the cost of the project.

19-27-219. Special account for youth services centers.

All funds received by the youth services centers from tie-in fees charged persons who connect with the water lines installed under Acts 1961 (1st Ex. Sess.), No. 9, shall be deposited into the State Treasury to the credit of a special account to be used for future construction, repairs, and

improvements at the youth services centers.

19-27-220. Arkansas Public Service Commission Tax Division 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 Public Service Commission Tax Division Fund".

(b) The Arkansas Public Service Commission Tax Division Fund shall be used for the maintenance, operations, and improvement of the Tax Division of the Arkansas Public Service Commission in carrying out its functions, powers, and duties as set out by law and by rules not inconsistent with law.

(c) The Arkansas Public Service Commission Tax Division Fund shall consist of:

(1) The proportion due the Tax Division of the Arkansas Public Service Commission of those ad valorem taxes levied on rolling stock as set out in §§ 26-26-1614 — 26-26-1616, as prescribed in § 19-26-204;

(2) Moneys transferred from the Arkansas Public Service Commission Fund in such amount as provided by this section in order to support those activities of the Tax Division of the Arkansas Public Service Commission that relate to the assessment and levying of taxes on utility property; and

(3) Moneys transferred from the Miscellaneous Agencies Fund Account in an amount that shall not exceed the difference between the total appropriation provided by the General Assembly for the Tax Division of the Arkansas Public Service Commission and the aggregate total of:

(A) The prior year remaining balance in the Arkansas Public Service Commission Tax Division Fund; and

(B) The transfer provided from the Arkansas Public Service Commission Fund.

(d) On July 1 of each fiscal year, the amount of the transfer from the Arkansas Public Service Commission Fund to the Arkansas Public Service Commission Tax Division Fund shall be in an amount which is equal to sixty-five percent (65%) of the difference between the total appropriation provided by the General Assembly for personal services and operating expenses of the Tax Division of the Arkansas Public Service Commission for the current fiscal year and the balance remaining in the Arkansas Public Service Commission Tax Division Fund on the immediately preceding June 30.

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

fiscal year.

(c) The Environmental Education Fund shall be used by the Division of Environmental Quality to provide environmental educational materials and training.

19-27-223. Abandoned Mine Reclamation 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 “Abandoned Mine Reclamation Fund”.

(b) The fund shall consist of moneys received through a grant from the United States Secretary of the Interior pursuant to the state abandoned mine reclamation program.

(c) The fund shall be used by the Division of Environmental Quality for the program.

19-27-224. Surface Coal Mining Operation 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 “Surface Coal Mining Operation Fund”.

(b) The fund shall consist of application and permit fees for surface coal mining.

(c) The fund shall be used by the Division of Environmental Quality only for the administration and enforcement of the Arkansas Surface Coal Mining and Reclamation Act of 1979, § 15-58-101 et seq., and as the state’s matching percentage share for any grants available to the state for the administration and enforcement of the state program as defined in § 15-58-104.

19-27-225. Lead-Based Paint-Hazard 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 “Lead-Based Paint-Hazard Fund”.

(b) The Lead-Based Paint-Hazard Fund shall consist of:

(1) All moneys remaining in the Lead-Based Paint-Hazard Fund as of July 1, 2011;

(2) All moneys recovered under the Arkansas Lead-Based Paint-

Hazard Act of 2011, § 20-27-2501 et seq.; and

(3) Any other moneys received by the state as a gift or donation to the Lead-Based Paint-Hazard Fund.

(c) The Lead-Based Paint-Hazard Fund shall be used for the lead-based paint program as administered by the Department of Health as set out in the Arkansas Lead-Based Paint-Hazard Act of 2011, § 20-27-2501 et seq.

19-27-226. Solid Waste Performance Bond 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 "Solid Waste Performance Bond Fund".

(b) The fund shall consist of all forfeitures collected under the Arkansas Solid Waste Management Act, § 8-6-201 et seq.

(c) The fund shall be used only to accomplish remedial action, including closure of lands covered by performance bonds forfeited under the Arkansas Solid Waste Management Act, § 8-6-201 et seq.

19-27-227. Juvenile Detention Facilities Operating 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 "Juvenile Detention Facilities Operating Fund".

(b) The Juvenile Detention Facilities Operating Fund shall consist of moneys transferred from the Youth Services Fund Account of the Department of Human Services Fund.

19-27-228. Research 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 miscellaneous fund to be known as the "Research Development Fund".

(b) The Research Development Fund shall consist of:

(1) Funds transferred from the Higher Education Building Maintenance Fund; and

(2) Any other moneys provided by the General Assembly.

(c) The Research Development Fund shall be used for the administration and operations of the Arkansas Research Development Program of the Division of Higher Education, as provided in the Arkansas Research Development Act, §

6-61-801 et seq.

19-27-229. Revenue Local Tax 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 “Revenue Local Tax Revolving Fund”.

(b) The fund shall consist of income taxes or any taxes not otherwise prohibited by law levied by counties or municipalities and for which the collection and administration of such taxes are performed by the state, as authorized in § 26-73-105, there to be transmitted at least quarterly in each state fiscal year to the local government levying the tax, all as provided in §§ 26-73-101 — 26-73-109.

19-27-230. Rural Health Services 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 “Rural Health Services Revolving Fund”.

(b) The Rural Health Services Revolving Fund shall consist of funds transferred from the Development and Enhancement Fund or any other funds made available by the General Assembly.

(c) The Rural Health Services Revolving Fund shall 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.

19-27-231. Rural Medical Clinic Revolving Loan 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 “Rural Medical Clinic Revolving Loan Fund”.

(b) The fund shall consist of moneys provided by law.

(c) The fund shall be used exclusively for the making of loans by the State Board of Finance, upon application therefor, for the construction and equipping of rural medical clinics in rural areas of this state, as defined

in § 20-12-202.

19-27-232. City-County Tourist Facilities Aid 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 "City-County Tourist Facilities Aid Fund".

(b) The City-County Tourist Facilities Aid Fund shall consist of moneys deducted from the General Revenue Fund Account in such amounts necessary to meet the quarterly payments to cities and counties that are parties to an agreement with the state, entered into pursuant to § 14-171-210.

(c) The City-County Tourist Facilities Aid Fund shall be administered by the State Board of Finance and disbursed by the Treasurer of State as provided in the City-County Tourist Meeting and Entertainment Facilities Assistance Law, § 14-171-201 et seq.

19-27-233. Arkansas Water Resources Cost Share 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 "Arkansas Water Resources Cost Share Revolving Fund".

(b) The fund shall consist of funds appropriated or otherwise secured for the purposes of cost sharing with the United States Government in local water resources development projects and loan repayments to the fund.

(c) The fund shall be used to:

(1) Provide loans or grants to local governments as provided in the Arkansas Water Resources Cost Share Finance Act, § 15-22-801 et seq.; and

(2) Allow up to twenty percent (20%) of the total cost of a project as administrative costs.

19-27-234. Drug Abuse Prevention and Treatment 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 "Drug Abuse Prevention and Treatment Fund".

(b) The Drug Abuse Prevention and Treatment Fund shall consist of:

(1) Those moneys transferred or deposited from the State Administration of Justice Fund;

(2) General revenue that is transferred from the Behavioral Health Services Fund Account;

(3) Federal reimbursement received on account of eligible expenditures; and

(4) Other funds as may be provided by law.

19-27-235. Law Enforcement and Prosecutor Drug Enforcement Training 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 “Law Enforcement and Prosecutor Drug Enforcement Training Fund”.

(b) The Law Enforcement and Prosecutor Drug Enforcement Training Fund shall consist of those moneys transferred or deposited from the State Administration of Justice Fund.

19-27-236. County Jail Reimbursement 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 “County Jail Reimbursement Fund”.

(b) The fund shall consist of those general revenues or general improvement funds that may be provided by law.

(c) The fund shall be used by the Division of Correction for reimbursing counties housing prisoners sentenced to the Division of Correction.

(d) The fund shall be used by the Division of Community Correction for reimbursing counties that are housing prisoners:

(1) Sentenced to the Division of Community Correction;

(2) Placed on probation if the probation is accompanied by incarceration in the Division of Community Correction; or

(3) Confined in a county jail under any prerelease program or sanction imposed in response to a violation of a supervised condition.

19-27-237. Building Authority Division Maintenance 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 "Building Authority Division Maintenance Fund".

(b)(1) The fund shall consist of all moneys received in connection with the leasing, management, and operation of building facilities and lands belonging to or managed by the Building Authority Division.

(2) The moneys received by the division are declared to be nonrevenue receipts.

(c) The fund shall be used for the maintenance, operation, and improvement of lands, buildings, and facilities that may be acquired by the division.

19-27-238. Arkansas Medicaid Rebate Program Revolving Fund — Arkansas Medicaid Rebate Program Revolving Fund Act of 1991 — Definition.

(a) This section shall be known and may be cited as the "Arkansas Medicaid Rebate Program Revolving Fund Act of 1991".

(b) As used in this section, "drug manufacturer" means any person, partnership, corporation, or other institution or entity that is engaged in the production, preparation, propagation, compounding, conversion, or processing of drugs, either directly or indirectly by extraction from the substance of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, or in the packaging, repackaging, labeling, relabeling, and distribution of drugs.

(c)(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 miscellaneous fund to be known as the "Arkansas Medicaid Rebate Program Revolving Fund".

(2) The fund shall be administered by the Division of Medical Services of the Department of Human Services.

(d)(1) The department is authorized to receive moneys in the form of rebates from drug manufacturers as established by contract or pursuant to the provisions of the Omnibus Budget Reconciliation Act of 1990, Pub. L. No. 101-508.

(2) Any moneys accruing to the department through these rebates shall be deposited into the State Treasury as nonrevenue receipts to be credited to the Arkansas Medicaid Rebate Program Revolving Fund and transferred by the Secretary of the Department of Human Services to the Department of Human Services Medicaid Paying Accounts Account to be used solely for paying pharmacy claims in the Arkansas Medicaid Drug Rebate

Program.

(3) Any general revenues that accrue as a result of the receipt of the Medicaid rebate shall be transferred to the Department of Human Services Grants Fund Account.

19-27-239. Parks and Tourism Outdoor Recreation Grants 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 "Parks and Tourism Outdoor Recreation Grants Fund".

(b) The fund shall consist of ten percent (10%) of those special revenues as specified in § 19-42-201(145).

(c) The fund shall be used by the Department of Parks, Heritage, and Tourism for making grants for outdoor recreational purposes to cities and counties of this state in accordance with the Arkansas Statewide Comprehensive Outdoor Recreation Plan as provided in § 15-12-103.

19-27-240. Justice 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 miscellaneous fund to be known as the "Justice Building Fund".

(b) The Justice Building Fund shall consist of all moneys transferred or deposited from the State Administration of Justice Fund.

(c) The Justice Building Fund shall be used exclusively by the Building Authority Division for the maintenance of the Arkansas Justice Building.

19-27-241. Trial Expense Assistance 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 "Trial Expense Assistance Fund".

(b) The Trial Expense Assistance Fund shall consist of moneys transferred to it from the Miscellaneous Revolving Fund.

(c) The Trial Expense Assistance Fund shall be used to pay for reimbursement of costs incurred in certain trials as set out in § 16-92-109.

19-27-242. Cities in School 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 "Cities in School Fund".

(b) The Cities in School Fund shall consist of those moneys transferred from the General Revenue Fund Account.

(c) The Cities in School Fund shall be used for providing grants to community-based pilot programs directed toward solving problems of children and their families as provided in Acts 1992 (1st Ex. Sess.), No. 1, §§ 7 and 8.

19-27-243. Division of Information Systems 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 "Division of Information Systems Revolving Fund".

(b) The fund shall consist of:

(1) Nonrevenue receipts derived from services provided to various agencies of the federal, state, city, and county governments; and

(2) Any other moneys that may be provided by law.

(c) The fund shall be used for the maintenance, operation, and improvement of the Division of Information Systems as provided in the Arkansas Information Systems Act of 1997, § 25-4-101 et seq.

19-27-244. Information Technology Reserve 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 "Information Technology Reserve Fund".

(b) The Information Technology Reserve Fund shall consist of:

(1) Those funds transferred from the Division of Information Systems Revolving Fund in an amount up to the authorized reserve for equipment acquisition as certified by the Chief Fiscal Officer of the State within thirty (30) days following the closing of each fiscal year;

(2) Any loans that may be received from the Budget Stabilization Trust Fund; and

(3) Any other moneys that may be provided by law.

(c) The Information Technology Reserve Fund shall be used exclusively for major equipment acquisitions or improvements as provided in § 25-4-122.

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.

19-27-247. Emergency Medical Services 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 “Emergency Medical Services Revolving Fund”.

(b) The fund shall consist of those funds that may be made available.

(c) The fund shall be administered by the Department of Health as provided in the Emergency Medical Services Revolving Fund Act, § 20-13-101.

19-27-248. Nursing Student Scholarship 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 “Nursing Student Scholarship Fund”.

(b) The fund shall consist of:

(1) Funds appropriated for nursing student scholarships; and

(2) Grants, contributions, or gratuities derived from federal means or private persons or corporations.

(c) The fund shall be used for providing scholarships or financial assistance to nursing students, as administered by the Graduate Nurse Educator Loan and Scholarship Board as provided in § 6-81-1201 et seq.

19-27-249. Geology Map Resale 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 “Geology Map Resale Revolving Fund”.

(b) The fund shall consist of moneys received from the resale of publications of maps by the Office of the State Geologist.

(c) The fund shall be used for personal services and operating expenses relating to the purchase of publications of maps for resale by the Office of the State Geologist, as authorized in Acts 1975, No. 80, § 6.

19-27-250. County Road Construction and Maintenance 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 “County Road Construction and Maintenance Revolving Fund”.

(b) The County Road Construction and Maintenance Revolving Fund shall

consist of moneys transferred from the Budget Stabilization Trust Fund from time to time, not to exceed the amount as set out in § 27-72-317.

(c) The County Road Construction and Maintenance Revolving Fund shall be used for making advance transfers to the several county highway funds, state-aid road funds, federal-aid secondary road funds, and all other provisions of county road construction assistance as administered by the Chief Fiscal Officer of the State, as provided in §§ 27-72-301, 27-72-305, 27-72-312, 27-72-313, 27-72-315, and 27-72-317 — 27-72-319.

19-27-251. Arkansas Agricultural Marketing Grants 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 "Arkansas Agricultural Marketing Grants Fund".

(b) The fund shall consist of the fees specified by § 19-43-311(b) and such moneys as may be provided by law.

(c) The fund shall be used for making payments of grants to eligible Arkansas wineries with respect to the purchase of grapes, fruits, berries, or vegetables produced in this state and purchased for use in this state for the production of wine.

19-27-252. Wastewater Licensing 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 "Wastewater Licensing Fund".

(b) The fund shall consist of examination, license, and license renewal fees as set out in § 8-5-209.

(c) The fund shall be used only for the administration of § 8-5-201 et seq.

19-27-253. Information Network of Arkansas 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 "Information Network of Arkansas Fund".

(b) The fund shall consist of all moneys received by the Information Network of Arkansas from gifts, donations, grants, or any other sources available by law.

(c) The fund shall be used as provided in the Information Network of Arkansas Act, § 25-27-101 et seq.

19-27-254. Higher Education Tuition Adjustment Fund — Intent.

(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 "Higher Education Tuition Adjustment Fund".

(b) The fund shall consist of revenues allocated to the fund by law.

(c) It is the intent of the General Assembly that the fund ensure that bona fide Arkansas income taxpayers, and their dependents, who are residents of a bordering state in a contiguous county to the Arkansas state line, which is contiguous to a county where an institution of higher education is located receive the same higher education opportunities as all other taxpayers.

(d)(1) In establishing this policy, it is the intent of the General Assembly that taxpayers should have affordable access to the state's higher education institutions.

(2) Further, the Division of Higher Education shall require each institution to track and report the number of qualifying students each year.

(3) A list of students who benefit from the out-of-state tuition waiver, including their Social Security numbers or their Arkansas taxpaying parents' or guardians' names and Social Security numbers, shall be furnished by the division to the Department of Finance and Administration for confirmation that they or their parents are employed in Arkansas at a wage in excess of five thousand five hundred dollars ($5,500) per year.

(4) Documentation should be either an official W-2 form from an Arkansas employer reflecting wages of at least five thousand five hundred dollars ($5,500) in the tax year before enrollment in college or official employer verification of a current year salary minimum of at least five thousand five hundred dollars ($5,500), which the college shall keep on file for enrollment audit purposes.

(e)(1) The Commissioner of the Division of Higher Education shall determine the difference between the amount of tuition revenue that would have been generated by charging the Arkansas Higher Education Coordinating Board-approved out-of-state tuition rate to the students as compared to approved in-state or out-of-district rates.

(2) Upon such a determination, the commissioner shall certify to

the Chief Fiscal Officer of the State and the Treasurer of State the amounts that are required to be transferred from the fund.

(3) Upon receiving the certification, the Chief Fiscal Officer of the State and the Treasurer of State shall cause to be transferred the necessary funds and appropriation to the fund account of the institution receiving the certification from the commissioner.

19-27-255. Administrative Services — Client Specific Emergency Services Revolving Fund Paying Account.

(a) The Office of Finance and Administration of the Department of Human Services is authorized to establish and maintain as a cash fund account the Client Specific Emergency Services Revolving Fund Paying Account consisting of federal grants, aids, cash donations, reimbursements, and state general revenue, not to exceed a daily balance of ten thousand dollars ($10,000), for delivery of immediate care, short-term, or emergency services to eligible clients.

(b) The account shall be established and maintained in accordance with procedures established by the Chief Fiscal Officer of the State for cash funds and shall be administered under the direction of the Secretary of the Department of Human Services.

19-27-256. EMS Enhancement 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 “EMS Enhancement Revolving Fund”.

(b) The fund shall consist of revenue that may be provided by law.

(c) Any funds remaining in the fund at the end of the fiscal year shall be made available for distribution as follows:

(1) Fifty percent (50%) of the funds shall be available for distribution to the eligible state-licensed emergency medical services through a grant program managed by the Division of Emergency Medical Services of the Department of Health under § 20-13-103;

(2) Ten percent (10%) of the funds shall be authorized for use by the division for administering the grant program prescribed in § 20-13-103, as well as for training, education, equipment, and supplies as needed to maintain staff proficiency in emergency medical services and testing support;

(3)(A) Five percent (5%) of the funds shall be authorized for the purposes of upgrading or instituting educational training sites and the increased availability of emergency medical services training programs.

(B) The training sites shall meet the certification standards of the division;

(4)(A) Ten percent (10%) of the funds shall be authorized for the purpose of instituting special projects managed by the division that are directed toward the improvement of emergency medical services and the presentation of specialized training programs.

(B) The programs or projects shall meet the standards set forth in the United States Department of Transportation's National Standard Curriculum of 1998 for Emergency Medical Technician training and approved by the division;

(5) Twenty percent (20%) of the funds shall be authorized for the purpose of instituting and maintaining a trauma system and trauma registry; and

(6) Five percent (5%) of the funds shall be authorized for use by the division for:

(A) Maintaining quality emergency medical services; and

(B) Ensuring public safety and proper medical care by inspecting and licensing ambulance services and registering emergency medical services vehicles.

19-27-257. Highway Safety Special 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 "Highway Safety Special Fund".

(b) The Highway Safety Special Fund shall consist of those moneys transferred or deposited from the State Administration of Justice Fund.

(c) The Highway Safety Special Fund shall be used for support of programs of the Arkansas Highway Safety Program.

19-27-258. District Court Judge and District Court Clerk 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 “District Court Judge and District Court Clerk Education Fund”.

(b) The District Court Judge and District Court Clerk Education Fund shall consist of those moneys transferred or deposited from the State Administration of Justice Fund.

(c) The District Court Judge and District Court Clerk Education Fund shall be used for providing continuing education opportunities within the State of Arkansas to district court judges and district court clerks.

19-27-259. Court Reporter’s 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 “Court Reporter’s Fund”.

(b) The Court Reporter’s Fund shall consist of those moneys transferred or deposited from the State Administration of Justice Fund.

(c) The Court Reporter’s Fund shall be used for paying such salaries, transcript fees, and expenses of court reporters as may be provided by law to be paid from state funds, as set out in § 16-13-508 [repealed].

19-27-260. Arkansas Counties Alcohol and Drug Abuse and Crime Prevention 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 “Arkansas Counties Alcohol and Drug Abuse and Crime Prevention Program Fund”.

(b) The Arkansas Counties Alcohol and Drug Abuse and Crime Prevention Program Fund shall consist of those moneys transferred or deposited from the State Administration of Justice Fund, and nonrefundable administrative bail bond fees collected under § 17-19-301(f)(1).

(c) The Arkansas Counties Alcohol and Drug Abuse and Crime Prevention Program Fund shall be used exclusively for the establishment and operation of alcohol abuse, drug abuse, and crime prevention programs, and other related purposes in the counties.

19-27-261. Waterworks Operators Licensing 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 “Waterworks Operators Licensing Fund”.

(b) The fund shall consist of fines collected under § 17-51-102.

(c) The fund shall be used to defray the costs of administering § 17-51-101 et seq.

19-27-262. Judicial Fine Collection Enhancement 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 “Judicial Fine Collection Enhancement Fund”.

(b) The fund shall consist of:

(1) The time-payment fees established by § 16-13-704;

(2) Electronic payment access fees established by § 16-92-118;

(3) Court technology fees established by § 21-6-416;

(4) Federal court certified question fees and fees for Court of Appeals or Supreme Court decision petitions for rehearing established by § 21-6-401(a)(2) and (3), respectively; and

(5) Fees for electronic filing and public online access to court decisions and other court records established by § 21-6-401(d).

(c) The fund shall be used by the Administrative Office of the Courts for the purchase of computer hardware and software as provided in § 16-13-712.

19-27-263. Higher Education Consolidation Matching 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 “Higher Education Consolidation Matching Fund”.

(b) The fund shall consist of funds made available by the General Assembly.

(c) The fund shall be used to match documented savings at public institutions of higher education that consolidate or merge as provided in § 6-60-102.

19-27-264. Justice Building Construction Fund.

(a) There is created in accordance with §§ 19-4-801 — 19-4-805 and the Revenue Classification Law, § 19-40-101 et seq., a cash fund entitled the

"Justice Building Construction Fund", which shall be maintained in such depository bank or banks as may, from time to time, be designated by the Building Authority Division.

(b) All moneys transferred to and deposited into the fund, whether pursuant to § 16-10-310 or otherwise, and all income, interest, and earnings thereof, are declared to be cash funds, restricted in their use, and dedicated and are to be used solely for the financing of additions, extensions, and improvements to, the renovation of, and the equipping of such additions, extensions, and improvements of the Arkansas Justice Building situated on the State Capitol grounds. Such cash funds shall not be deemed to be a part of the State Treasury for any purpose, including, without limitation, the provisions of Arkansas Constitution, Article 5, § 29, Article 16, § 12, or Amendment 20, or any other constitutional or statutory provision.

(c) The fund shall be held and the amounts therein invested by the division in accordance with the authority provided in the Arkansas Justice Building Act, § 22-3-901 et seq. The division may also use the fund to provide for the repayment of obligations issued by the Arkansas Development Finance Authority pursuant to the State Agencies Facilities Acquisition Act of 1991, § 22-3-1401 et seq., to accomplish the purposes specified in subsection (b) of this section and to pay the costs and expenses related to the issuance of such obligations.

19-27-265. Bail Bondsman Board 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 "Bail Bondsman Board Fund".

(b) The fund shall consist of those moneys collected under §§ 17-19-111 and 17-19-301 and other moneys from the collection of fees.

(c) The fund shall be used exclusively for the operation of the Professional Bail Bond Company and Professional Bail Bondsman Licensing Board.

19-27-266. Health Facility Services 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 special revenue

fund to be known as the “Health Facility Services Revolving Fund”.

(b) The fund shall consist of those fees collected under §§ 17-107-205, 20-7-117(e), 20-9-214(b), 20-9-222, and 20-10-812(a), and deposited as nonrevenue receipts.

(c)(1) The fund shall be used by the Division of Health Facility Services of the Department of Health for supporting and operating programs through which fees under §§ 17-107-205, 20-7-117(e), 20-9-214(b), 20-9-222, and 20-10-812(a) were collected.

(2) Any unexpended balance in the fund at the end of each state fiscal year shall be carried forward to the next fiscal year to be used for the same intent and purposes as provided in §§ 17-107-205, 20-7-117(e), 20-9-214(b), 20-9-222, and 20-10-812(a).

19-27-267. Military Support 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 revolving fund to be known as the “Military Support Revolving Fund”.

(b)(1) The Military Support Revolving Fund shall consist of:

(A) All funds provided by law for the Military Support Revolving Fund;

(B) All moneys received by the Department of the Military from the United States Army, the United States Air Force, the United States Navy, foreign allied governments, and reserve forces of the United States, allied nations, and other federal agencies; and

(C) All federal reimbursements received by the Department of the Military under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121 et seq., for expenditures from the Military Support Revolving Fund.

(2) All reimbursements and payments to the Military Support Revolving Fund from any source shall be considered a refund to expenditures.

(c) The Military Support Revolving Fund shall be used by the department to pay reimbursements for periodic, short-term personnel augmentation for National Guard members on state active duty for costs incurred in training activities, which shall include without limitation, goods, supplies, rations, fuel, operating expenses, and related costs and expenses.

(d) As federal reimbursements replenish the Military Support Revolving Fund, the department is authorized to return funds, as necessary, to the Special Military Fund.

19-27-268. Arkansas Real Property Reappraisal Fund.

(a)(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 miscellaneous fund to be known as the "Arkansas Real Property Reappraisal Fund".

(2)(A) The fund shall be used to pay counties and professional reappraisal companies for the reappraisal of real property required by § 26-26-1901 et seq. and shall be in lieu of real property reappraisal funding by the local taxing units in each county of this state.

(B) There shall be no deduction from the proceeds of the fund to pay any other fees or expenses except as provided in § 26-26-1901 et seq.

(b) For cause and after an opportunity for hearing, the Director of the Assessment Coordination Division may suspend or terminate the contract of any appraisal firm or county.

(c)(1) The fund proceeds shall be distributed monthly, except when there is a determination by the Assessment Coordination Division that proper reappraisal procedures established by the division are not being followed.

(2)(A)(i) Upon a finding by the division that proper reappraisal procedures are not being followed, the county assessor or contractor shall be notified that the reappraisal is out of compliance with accepted guidelines established in § 26-26-1901 et seq. and rules enacted pursuant to § 26-26-1901 et seq.

(ii) The division shall notify the county assessor or contractor in writing that the assessor or contractor has thirty (30) days in which to bring the reappraisal into compliance.

(B) If there is a further finding that proper reappraisal procedures are not being followed, the contract shall be promptly terminated, and the division shall negotiate another contract and management plan for the completion of the reappraisal project.

(d) Based on its expertise and the criteria and requirements set forth in § 26-26-1901 et seq., the division shall establish by rule the findings that indicate that proper reappraisal procedures are not being followed.

(e) At the end of each countywide reappraisal, the division shall issue a report of the status of the county.

19-27-269. Public Roads 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 "Public Roads Incentive Fund".

(b) The fund shall consist of:

(1) Contributions made by taxpayers for public roads projects approved by the Director of the Arkansas Economic Development Commission; and

(2) Any other funds as are designated or deposited into the fund by law.

(c)(1) A separate account shall be established for each project, and contributions for a project shall be applied to provide funding assistance for that project.

(2) Any contributions that remain in the fund when a project is completed or terminated shall be held and applied to other public roads projects in the manner that the director determines.

19-27-270. Breast Cancer Research 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 "Breast Cancer Research Fund".

(b) The fund shall consist of:

(1) Twenty percent (20%) of those special revenues as specified in § 19-42-201(192);

(2) That portion of those special revenues as specified in § 19-42-201(201); and

(3) Those general revenues that may be provided by law.

(c) The fund shall be used exclusively as provided in § 20-15-1303.

19-27-271. Breast Cancer Control 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 "Breast Cancer Control Fund".

(b) The fund shall consist of:

(1) That portion set out in § 26-57-1106 of those special revenues specified in § 19-42-201(192);

(2) That portion of those special revenues specified in § 19-42-201(201); and

(3) Those general revenues provided by law.

(c) The fund shall be used:

(1) Exclusively as provided in § 20-15-1304; and

(2) At the option of the Department of Health and in amounts not to exceed that appropriated by the General Assembly for such purposes, for cervical cancer.

19-27-272. Reward Pool 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 “Reward Pool Fund”.

(b) The fund shall consist of all monetary donations or gifts made by private citizens and corporations.

(c) The fund shall be used for the payment of rewards or enhancing state-funded rewards for information leading to the arrest of persons committing arson, as administered by the Governor and as provided in § 5-38-301.

19-27-273. Youth Services Facilities Needs 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 “Youth Services Facilities Needs Fund”.

(b) The Youth Services Facilities Needs Fund shall consist of funds transferred to it from the Development and Enhancement Fund and other funds authorized by law.

(c) The Youth Services Facilities Needs Fund shall be used for contracts, repairs, acquisition, construction, equipment, and operational expenses to improve the facilities of the Division of Youth Services.

19-27-274. Building Authority Division Real Estate 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 “Building Authority Division Real Estate Fund”.

(b)(1) The Building Authority Division Real Estate Fund shall consist of funds transferred to it from the Development and Enhancement Fund, or other funds, gifts, bequests, foundation grants and gifts, the 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.

(2) The Building Authority Division Real Estate Fund shall be used to acquire either by deed or by lease, to own or operate, to maintain, to repair, to renovate, to develop, or to construct real properties, including any necessary demolition and site improvements, for use by state agencies, as defined in § 22-2-102, for capital improvement needs under the jurisdiction of the Building Authority Division.

19-27-275. Rural Physician Incentive 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 revolving fund to be known as the “Rural Physician Incentive Revolving Fund”.

(b) Any unexpended balance in the fund at the end of each state fiscal year shall be carried forward to the next fiscal year to be used for the same intent and purpose set forth in § 20-12-501 et seq.

19-27-276. Department of Labor and Licensing Special 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 miscellaneous fund to be known as the “Department of Labor and Licensing Special Fund”.

(b) The Department of Labor and Licensing Special Fund shall consist of:

(1) Those special revenues set out in § 19-42-201(25), (36), (72), (112), (158), (180), and (251); and

(2) The fee, penalty, and assessment income and all other income, the disposition of which is not otherwise provided by law, of the Department of Labor and Licensing.

(c) The Department of Labor and Licensing Special Fund shall be used

for the maintenance, operation, and improvements required by the department in carrying out the special revenue programs enumerated in subsection (b) of this section and to defray the costs of the maintenance, operation, and improvements required by the department or the Secretary of the Department of Labor and Licensing in carrying out the functions, powers, and duties imposed by law on the department or the secretary.

(d) The secretary, with the approval of the Chief Fiscal Officer of the State, is authorized to transfer funds from the Department of Labor and Licensing Special Fund to the Department of Labor and Licensing Fund Account.

19-27-277. Arkansas Athletic 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 miscellaneous fund to be known as the “Arkansas Athletic Commission Fund”.

(b) The fund shall consist of those fees set out in § 17-22-101 et seq.

(c) The fund shall be used as provided in § 17-22-101 et seq.

19-27-278. Computer and Electronic 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 miscellaneous fund to be known as the “Computer and Electronic Recycling Fund”.

(b) The fund shall be administered by the Division of Environmental Quality and may be used to:

(1) Promote market research and development grants to determine the most efficient means of collecting, transporting, and processing scrap electronic equipment;

(2) Work with the Department of Finance and Administration and the Marketing and Redistribution Section to establish statewide contracts for computer and electronics recycling and demanufacturing businesses; and

(3) Support and fund other measures necessary to implement and promote the recycling, donation, demanufacturing, or disposal options for computers and electronic equipment.

19-27-279. Arkansas Economic Development Commission Super Projects 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 "Arkansas Economic Development Commission Super Projects Fund".

(b) The fund shall consist of such funds as may be provided by law.

(c) The fund shall be used for economic development super projects of the Arkansas Economic Development Commission.

19-27-280. Drug Prevention and Intervention 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 "Drug Prevention and Intervention Program Fund".

(b) The fund shall consist of such revenues authorized by law.

(c) The fund shall be used by the Department of Health to fund drug prevention and intervention activities.

19-27-281. Port Priority Improvement 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 "Port Priority Improvement Fund".

(b) The fund shall consist of the funds or other moneys that may be deposited into the fund as provided by the General Assembly.

(c) The fund shall be used to:

(1) Provide financial assistance to public port authorities as set out in the Arkansas Port Priority Improvement Program Act, § 15-23-901 et seq.; and

(2) Develop port infrastructure, including paying for associated engineering and construction costs.

19-27-282. Nonpartisan Filing Fee 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 "Nonpartisan Filing Fee Fund".

(b)(1) The fund shall consist of nonpartisan office filing fees under § 7-10-103.

(2) The fund shall be used to cover the cost of election

expenses of the State Board of Election Commissioners as set out in § 7-10-103 and for personal services and operating expenses for the State Board of Election Commissioners.

19-27-283. Educational Adequacy 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 "Educational Adequacy Fund".

(b) After the Treasurer of State has made deductions from the revenues under § 19-21-103(b)(2)(A), the Educational Adequacy Fund shall consist of:

(1) All net revenues collected due to enactments of the Eighty-Fourth General Assembly meeting in Second Extraordinary Session, unless a different distribution of those additional net revenues is otherwise provided in the act creating those additional net revenues;

(2) The revenues credited to the Educational Adequacy Fund under § 26-54-113(b)(2);

(3) The revenues generated by § 26-52-302(d), § 26-52-316, § 26-52-317(c)(1)(C), § 26-52-319(a)(2)(C), § 26-53-107(d), § 26-53-145(c)(1)(C), § 26-53-148(a)(2)(C), § 26-56-224(c)(3), and § 26-57-1002(d)(1)(A)(ii); and

(4) Other revenues as provided by law.

(c)(1) The Chief Fiscal Officer of the State will determine, from time to time, the amount of funds required from the Educational Adequacy Fund which, when added to other resources available to the Division of Elementary and Secondary Education Public School Fund Account of the Public School Fund and the Division of Elementary and Secondary Education Fund Account of the Education Fund, is needed to fulfill the financial obligation of the state to provide an adequate educational system as authorized by law and shall certify the amounts to the Treasurer of State.

(2) At the end of each month, the Treasurer of State shall transfer all moneys available from the Educational Adequacy Fund to the Division of Elementary and Secondary Education Public School Fund Account of the Public School Fund and to the Division of Elementary and Secondary Education Fund Account of the Education Fund until the sum of all transfers from the Educational Adequacy Fund equals the amounts determined in subdivision (c)(1) of this section, there to be used as determined by law.

(d) In the event the Chief Fiscal Officer of the State determines that

the transfers from the Educational Adequacy Fund, when added to the other resources available to the Division of Elementary and Secondary Education Public School Fund Account of the Public School Fund, are not sufficient to meet the state's financial obligation to provide an adequate educational system as authorized by law, the additional amount required shall be transferred from the other funds and fund accounts, except the Educational Facilities Partnership Fund Account, within § 19-23-102 based upon the proportion that each of the remaining funds and fund accounts, excluding the Educational Facilities Partnership Fund Account, bears to the total of the remaining funds and fund accounts in § 19-23-102.

19-27-284. Area Agencies on Aging Fund.

(a)(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 miscellaneous fund to be known as the "Area Agencies on Aging Fund".

(2) The Treasurer of State shall credit to the fund the amount certified each quarter under § 26-51-2507.

(b)(1) The Treasurer of State shall distribute moneys in the fund to the Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services to be distributed to the eight (8) area agencies on aging based on the division's funding formula.

(2) The division's funding formula shall take into consideration the following factors without limitation:

(A) The geographical distribution of the older individuals in the state; and

(B) The distribution of the older individuals in the state who have the greatest economic need and social need, with particular consideration of the low-income minority older individuals.

19-27-285. Purchase and Corporate Travel Card 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 revolving fund to be known as the "Purchase and Corporate Travel Card Program Fund".

(b) The fund shall be used for rebates from vendor banks, distribution to participating agencies, and operating expenses connected with the

administration of the Purchase and Corporate Travel Card Program.

19-27-286. UAMS Cancer Research Center Matching 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 "UAMS Cancer Research Center Matching Fund".

(b) The fund shall consist of such revenue as may be authorized by law.

(c) The fund shall be used as matching funds for the construction of and endowments for the Arkansas Cancer Research Center of the University of Arkansas for Medical Sciences.

(d)(1) The Chief Fiscal Officer of the State shall release funds to the University of Arkansas for Medical Sciences on a matching basis in an amount equal to the amount of grants and donations received as cash, cash equivalent, or an in-kind property pledge enforced by a binding written agreement. The period for which grants and donations shall be counted for matching purposes shall be January 1, 2007 — June 30, 2009.

(2) The release of the funds shall be upon documentation demonstrating that the matching requirement has been met. The documentation shall be signed by the Chancellor of the University of Arkansas for Medical Sciences.

(3) Requests for the release of funds may be made on a quarterly basis, and pending a favorable review of the documentation by the Chief Fiscal Officer of the State, payments shall be made in the first month following the request.

19-27-287. Economic Development Incentive Quick Action Closing 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 "Economic Development Incentive Quick Action Closing Fund".

(b) The Economic Development Incentive Quick Action Closing Fund shall consist of:

(1) Money transferred from the General Revenue Allotment Reserve Fund; and

(2) Any other money provided by law.

(c) The Economic Development Incentive Quick Action Closing Fund shall be used by the Arkansas Economic Development Commission for investment incentives to compete with other states to attract new business and economic development to the state or to retain existing business in the state.

(d) Money from the Economic Development Incentive Quick Action Closing Fund may be used in conjunction with other incentives offered by the state to attract new business or retain existing business.

(e)(1) Any proposed use of the Economic Development Incentive Quick Action Closing Fund by the Arkansas Economic Development Commission shall first be approved by the Governor.

(2) Upon approval by the Governor, the Governor shall submit the proposed use of the Economic Development Incentive Quick Action Closing Fund for the review of the Legislative Council.

(f) The Arkansas Economic Development Commission shall submit an annual written report to the Legislative Council concerning the Economic Development Incentive Quick Action Closing Fund, which shall contain the following:

(1) The name and address of the businesses receiving money from the Economic Development Incentive Quick Action Closing Fund;

(2) The date, amount, and reason of the disbursements of money from the Economic Development Incentive Quick Action Closing Fund;

(3) An evaluation of the effectiveness of the disbursements made from the Economic Development Incentive Quick Action Closing Fund; and

(4) Any suggestions for improving the use of the Economic Development Incentive Quick Action Closing Fund.

19-27-288. Division of Workforce Services Unemployment Insurance Administration 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 “Division of Workforce Services Unemployment Insurance Administration Fund”.

(b)(1) The fund shall consist of:

(A) The proceeds of the administrative assessment as specified in § 11-10-706(c)(2) and any interest accruing on these revenues; and

(B) Any other funds made available by the General Assembly.

(2) The fund shall be used for personal services and operating expenses of the unemployment insurance program necessary to the proper administration of the Division of Workforce Services Law, § 11-10-101 et seq., including expenses for modernizing information technology systems and hardware utilized in the administration of the unemployment insurance program, as determined by the Director of the Division of Workforce Services.

(c) The director shall report to the Legislative Council on a quarterly basis on all uses of the fund.

19-27-289. Division of Workforce Services 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 "Division of Workforce Services Fund".

(b) The fund shall consist of:

(1) Those general revenues as may be authorized by law; and

(2) Any other nonfederal funds as may be provided by law.

(c) The fund shall be used for:

(1) The maintenance, operation, and improvement required by the Division of Workforce Services in carrying out those powers, functions, and duties imposed by law upon the Director of the Division of Workforce Services as set out in the Division of Workforce Services Law, § 11-10-101 et seq., and § 20-76-101 et seq.; or

(2) Any other duties that may be imposed by law upon the division.

19-27-290. Science, Technology, Engineering, and Math 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 "Science, Technology, Engineering, and Math Fund".

(b) The fund shall be used for retaining, recruiting, and attracting competent science, technology, engineering, and math teachers by providing industry-competitive income to certified, qualified teachers who teach science, technology, engineering, and math subjects.

(c) The fund's balance shall not be reclaimed at the end of the

biennium but shall be carried forward for the same use in subsequent years.

19-27-291. Technology Acceleration 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 "Technology Acceleration Fund".

(b)(1) The Technology Acceleration Fund shall consist of funds transferred to it from the Development and Enhancement Fund, or other funds, gifts, bequests, foundation grants and gifts, the 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.

(2) The Technology Acceleration Fund shall consist of money transferred from the General Revenue Allotment Reserve Fund and any other money provided by law.

(c) The Technology Acceleration Fund shall be used by the Arkansas Economic Development Commission and the Arkansas Development Finance Authority for investment incentives to enhance the economy of the state through technology development.

(d) Money from the Technology Acceleration Fund may be used in conjunction with other incentives offered by the state to create, attract, or retain business.

(e)(1) Any proposed use of the Technology Acceleration Fund by the commission or the authority shall first be approved by the Governor.

(2) The commission and the authority shall make a joint recommendation to the Governor for any proposed use of the Technology Acceleration Fund.

19-27-292. Innovate Arkansas 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 "Innovate Arkansas Fund".

(b) The fund shall consist of funds as may be provided for by law.

(c) The fund shall be used by the Arkansas Economic Development Commission for the sole support of a contract between the commission and the entity selected to provide support and assistance for development and growth

of knowledge-based and technology-based companies in the State of Arkansas.

19-27-293. Sustainable Building Design Revolving Loan 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 "Sustainable Building Design Revolving Loan Fund".

(b)(1) The Sustainable Building Design Revolving Loan Fund shall consist of funds transferred to it from the Development and Enhancement Fund, or other funds, gifts, bequests, foundation grants and gifts, the 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.

(2) The Sustainable Building Design Revolving Loan Fund shall consist of funds received from agencies, boards, or commissions to repay loans for the Sustainable Building Design Program for State Agencies, funds made available by the General Assembly from time to time, and such revenues as may be authorized by law.

(c) The Sustainable Building Design Revolving Loan Fund shall be used to provide loans to agencies for the program as authorized by law and approved by the Chief Fiscal Officer of the State.

19-27-294. Newborn Umbilical Cord Blood Initiative 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 "Newborn Umbilical Cord Blood Initiative Fund".

(b) The fund shall consist of those funds provided by the income tax check-off program pursuant to § 26-51-2508, federal and private grants and donations, and any other funds authorized by law.

(c) The fund shall be used for the purposes set forth in the Newborn Umbilical Cord Blood Initiative Act, § 20-8-501 et seq.

19-27-295. Minority and Women-Owned Business Loan Mobilization 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 "Minority and Women-Owned Business Loan Mobilization

Revolving Fund".

(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.

(c) All reimbursements, repayments of loans, and interest earned and deposited into the Minority and Women-Owned Business Loan Mobilization Revolving Fund from any source shall be treated as a refund to expenditure.

(d) The Minority and Women-Owned Business Loan Mobilization Revolving Fund shall be used to promote the development of minority and women-owned business enterprises in the state, increase the ability of minority and women-owned business enterprises to compete for state contracts, and sustain the economic growth of minority and women-owned business enterprises in the state.

19-27-296. Trial Court Administrator 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 "Trial Court Administrator Fund".

(b) The Trial Court Administrator Fund shall consist of those moneys transferred from the State Administration of Justice Fund, the first one hundred thousand dollars ($100,000) collected annually from filing fees for the office of the prosecuting attorney, and other moneys as authorized by law.

(c) The Trial Court Administrator Fund shall be used for paying and reimbursing:

(1) Trial court administrators under § 16-13-3301 et seq.; and

(2) Substitute trial court administrators under § 16-10-801 et seq.

19-27-297. Fire Protection Licensing 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 "Fire Protection Licensing Fund".

(b) The fund shall consist of:

(1) All funds provided by law for the fund; and

(2) Examination and renewal fees charged pursuant to § 20-22-610.

(c) The fund shall be used for maintenance, operation, and improvement as required by the Arkansas Fire Protection Licensing Board in carrying out the powers, functions, and duties as set out in § 20-22-601 et seq.

19-27-298. Arkansas Acceleration 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 "Arkansas Acceleration Fund".

(b) The fund shall consist of:

(1) Funds provided by law; and

(2) Grants made by any person or federal government agency.

(c) The fund shall be used by the Division of Science and Technology of the Arkansas Economic Development Commission to provide support and assistance for the accelerated growth of knowledge-based and high-technology jobs in the State of Arkansas through focused funding of the state initiatives and programs as defined under the Arkansas Acceleration Fund Act, § 15-3-501 et seq.

19-27-299. Health Information Technology 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 "Health Information Technology Fund".

(b)(1) All moneys collected under § 25-42-101 et seq. [repealed] shall be deposited into the State Treasury to the credit of the Health Information Technology Fund as special revenues.

(2) The Health Information Technology Fund shall also consist of funds transferred to it from the Development and Enhancement Fund, or other funds, gifts, bequests, foundation grants and gifts, the 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.

(c) The Health Information Technology Fund shall be used by the Office

of Health Information Technology for the operating expenses of the office and the State Health Alliance for Records Exchange.

Subchapter 3 — Enumeration of Miscellaneous Funds, Continued

19-27-301. Arkansas Great Places Program Fund.

(a) The Division of Arkansas Heritage may establish in a bank authorized to do business in this state and selected by the division a revolving cash fund entitled "Arkansas Great Places Program Fund" into which the division shall deposit all funds received as matching funds from eligible organizations participating in the Arkansas Great Places Program under § 15-11-801 et seq.

(b) The division may receive gifts, grants, bequests, devises, and donations made to the division, amounts received as matching funds from eligible organizations participating in the Arkansas Great Places Program under § 15-11-801 et seq., and any other funds authorized by law to be used in the furtherance of the purposes of the Arkansas Great Places Program under § 15-11-801 et seq.

(c) In addition, the division may accept gifts, grants, or donations from the United States Government or agencies thereof, and private individuals, foundations, or concerns to be used for the purposes of the Arkansas Great Places Program under § 15-11-801 et seq.

19-27-302. County Juror Reimbursement 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 "County Juror Reimbursement Fund".

(b) The County Juror Reimbursement Fund shall consist of those moneys transferred from the State Administration of Justice Fund and other moneys as authorized by law.

(c) The County Juror Reimbursement Fund shall be used for reimbursements to counties for a portion of the cost of per diem compensation for jurors and prospective jurors pursuant to § 16-34-106.

19-27-303. County Voting System 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 “County Voting System Grant Fund”.

(b) The Secretary of State shall periodically remit to the Treasurer of State the fees the Secretary of State collects associated with the Uniform Commercial Code activity under §§ 4-9-525(a)(1), 4-9-525(a)(3), and 4-9-525(b)-(d), and the Treasurer of State shall deposit those funds into the County Voting System Grant Fund.

(c) The County Voting System Grant Fund shall be used by the Secretary of State to provide grants to counties to purchase voting system equipment, programming, and maintenance.

(d) A county that receives a grant from the County Voting System Grant Fund shall establish on the books of the county treasurer a fund to be known as the “voting system grant fund” into which grants from the Secretary of State shall be paid under this section.

(e) The County Voting System Grant Fund may be used by the Secretary of State to issue refunds and reimbursements of fees collected for the grant program described in § 7-5-301(d)(2).

19-27-304. Alternative Motor Fuel 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 miscellaneous fund to be known as the “Alternative Motor Fuel Development Fund”.

(b) The fund shall consist of:

(1) Grants made by a person, entity, or federal government agency;

(2) Other funds that become available through energy programs;

(3) Any remaining fund balances carried forward from year to year; and

(4) Any other funds authorized or provided by law.

(c) The fund shall be used by the Division of Environmental Quality to provide rebates and incentives under the Arkansas Alternative Motor Fuel Development Act, § 15-10-901 et seq.

(d) Moneys remaining in the fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

19-27-305. Open Enrollment Public Charter School Capital Grant 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 “Open Enrollment Public Charter School Capital Grant Program Fund”.

(b) The fund shall consist of those general revenues as may be authorized by law and other nonfederal funds as may be provided by law.

(c) The fund shall be used for distributing grants for programs providing assistance to open enrollment public charter schools concerning academic facilities and equipment and the repayment of debt incurred relating to academic facilities and equipment under the Open Enrollment Public Charter School Capital Grant Program established in § 6-23-801 et seq., and as may otherwise be provided by law.

19-27-306. Open-Enrollment Public Charter School Facilities Loan Fund.

(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 miscellaneous fund to be known as the “Open-Enrollment Public Charter School Facilities Loan Fund”.

(b) The fund shall consist of:

(1) General revenues as may be authorized by law;

(2) Grants received by the Division of Public School Academic Facilities and Transportation for the purpose of providing open-enrollment public charter school facilities assistance, including grants from the United States Department of Education;

(3) Donations or bequests received by the division for the purpose of starting, augmenting, or replenishing the fund;

(4) Revenues received from open-enrollment public charter schools for the repayment of a loan granted under the Open-Enrollment Public Charter School Facilities Loan Fund program; and

(5) Other revenues as may be provided by law.

(c) The fund shall be used for distributing loans to open-enrollment public charter schools for the purposes of the construction, lease, or purchase of an academic facility, the repair, improvement, or addition to an academic facility, and enhancing credit for financing purposes under § 6-23-

701 et seq., and as may be otherwise provided by law.

19-27-307. Safe Harbor Fund for Sexually Exploited Children — Definition.

(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 "Safe Harbor Fund for Sexually Exploited Children".

(b) The fund shall consist of fines collected under § 5-18-103(d), § 5-18-104(c), § 5-18-106(c), § 5-18-107(f), § 5-70-102(e), § 5-70-103(d), § 5-70-104(c), § 5-70-105(c), § 5-70-106(c), and § 5-70-107(e) and any other revenues authorized by law.

(c)(1) The fund shall be administered by the Department of Human Services.

(2) The department shall use the fund to provide:

(A) Services and treatment, such as securing residential housing, health services, and social services for sexually exploited children;

(B) Grants to service providers working with sexually exploited children; and

(C) For the management and operation of the fund.

(d) As used in this section, "sexually exploited child" means a person less than eighteen (18) years of age who has been subject to sexual exploitation because the person:

(1) Is a victim of trafficking of persons under § 5-18-103;

(2) Is a victim of child sex trafficking under 18 U.S.C. § 1591, as it existed on January 1, 2013; or

(3) Engages in an act of prostitution under § 5-70-102 or sexual solicitation under § 5-70-103 or § 5-70-107.

19-27-308. Arkansas Port, Intermodal, and Waterway Development Grant 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 "Arkansas Port, Intermodal, and Waterway Development Grant Program Fund".

(b) The fund shall consist of:

(1) The funds specified under § 26-26-1616(d);

(2) Grants made by any person or federal government agency; and

(3) Any other funds authorized by law.

(c) The fund shall be used by the Arkansas Waterways Commission to provide grants to port authorities and intermodal authorities under the Arkansas Port, Intermodal, and Waterway Development Grant Program established under § 15-23-205.

(d) Any unexpended balance in the fund at the end of each state fiscal year shall be carried forward to the next fiscal year to be used for the same intent and purpose stated in this section.

19-27-309. New Markets Performance Guarantee 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 "New Markets Performance Guarantee Fund".

(b) The fund shall consist of:

(1) Fees paid under § 15-4-3609;

(2) Grants made by a person, organization, or federal or state government agency; and

(3) Any other funds provided by law.

(c) The fund shall be used by the Arkansas Economic Development Commission to guarantee qualified community development entities' performance under the New Markets Jobs Act of 2013, § 15-4-3601 et seq.

19-27-310. Arkansas Unpaved Roads 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 "Arkansas Unpaved Roads Program Fund".

(b) The fund shall consist of:

(1) Grants made by any person, state agency, or federal government agency;

(2) Donations made by private persons or entities;

(3) Any remaining fund balances carried forward from year to year; and

(4) Any other funds authorized or provided by law.

(c) The fund shall be used by the Department of Agriculture to award

grants to counties under the Arkansas Unpaved Roads Program Act, § 14-305-101 et seq.

(d) Moneys remaining in the fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

19-27-311. Arkansas Wireless Information Network Financing 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 "Arkansas Wireless Information Network Financing Fund".

(b) The fund shall consist of bond revenues, driver's license fees, general revenues, and other moneys as authorized by law.

(c) The fund shall be used for maintenance, repair, upkeep, replacement, contracting expenses, and tower repair and replacement for the Arkansas Wireless Information Network.

19-27-312. Workforce Initiative Act of 2015 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 "Workforce Initiative Act of 2015 Fund".

(b) The fund shall consist of those general revenues as may be authorized by law and other nonfederal funds as may be provided by law.

(c) The fund shall be used by the Division of Higher Education for distributing grants to programs identified under § 6-60-107.

19-27-313. Future Transportation Research and Workforce 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 miscellaneous fund to be known as the "Future Transportation Research and Workforce Development Fund".

(b) The Future Transportation Research and Workforce Development Fund shall consist of:

(1) If available after the deposit of the funds required under § 14-143-130, interest income received under § 27-70-204 up to a maximum amount

of five hundred thousand dollars ($500,000) each year from the Arkansas Department of Transportation Fund; and

(2) Any other revenues authorized by law.

(c) The Future Transportation Research and Workforce Development Fund shall be used by the Arkansas Department of Transportation for distributing grants under the Transportation-Related Research and Workforce Development Grant Program, § 27-65-145.

19-27-314. Mandatory Publication Reimbursement 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 "Mandatory Publication Reimbursement Fund".

(b) The fund shall consist of reimbursements to the Secretary of State for mandatory publication of petitions and measures under § 7-9-113.

19-27-315. Arkansas Children's Advocacy Center 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 "Arkansas Children's Advocacy Center Fund".

(b) The fund shall consist of:

(1) The fines specified under §§ 5-4-703, 27-50-306, and 27-51-217;

(2) Grants or donations made by a person, state agency, or federal government agency; and

(3) Any other funds authorized or provided by law.

(c) The fund shall be used by the Arkansas Child Abuse/Rape/Domestic Violence Commission as provided in § 9-5-106 and as provided by any other provisions of law.

19-27-316. Human Trafficking Victim Support Fund — Definition.

(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 "Human Trafficking Victim Support Fund".

(b) The fund shall consist of fees collected under § 5-5-501(d), fines collected under § 5-18-103(d), § 5-18-104(c), § 5-18-106(c), § 5-18-107(f), § 5-70-102(e), § 5-70-103(d), § 5-70-104(c), § 5-70-105(c), § 5-70-106(c), and

§ 5-70-107(e), and any other revenues authorized by law.

(c)(1) The fund shall be administered by the Attorney General.

(2) The Attorney General shall use the fund to provide:

(A) Grants to nonprofit, religious, and other third-party organizations that provide services and treatment, such as securing residential housing, health services, and social services for victims of human trafficking;

(B) Training and education related to human trafficking to law enforcement; and

(C) For the management and operation of the fund.

(d) As used in this section, "victim of human trafficking" means a person who has been subject to sexual exploitation because the person:

(1) Is a victim of trafficking of persons under § 5-18-103;

(2) Is a victim of child sex trafficking under 18 U.S.C. § 1591, as it existed on January 1, 2017; or

(3) Engages in an act of prostitution under § 5-70-102 or sexual solicitation under § 5-70-103 or § 5-70-107.

19-27-317. Restricted Reserve 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 "Restricted Reserve Fund".

(b) The Restricted Reserve Fund shall consist of:

(1) Funds transferred from the Catastrophic Reserve Fund;

(2) Interagency transfers of funds or fund accounts to the Restricted Reserve Fund;

(3) Any revenues provided by law; and

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

(c) For the purpose of and after meeting the requirements of subsection (d) of this section, the Chief Fiscal Officer of the State may from time to time transfer on his or her books and those of the Treasurer of State and the Auditor of State funds from the Restricted Reserve Fund to one (1) or more general revenue operating funds or fund accounts, the Miscellaneous Agencies Fund Account, the Arkansas Department of Transportation for state matching funds, the State Central Services Fund, the Development and Enhancement Fund, and any fund, fund account, or

appropriations authorized by the General Assembly upon prior approval of the greater of three-fifths (3/5) of the quorum present or a majority of the membership of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

(d)(1) If at any time during the fiscal year a department, state agency, board, commission, state institution of higher education, or constitutional officer determines that it is necessary to perform its duties or is in the best interest of the citizens of the State of Arkansas to request a transfer from the Restricted Reserve Fund, that entity shall submit a detailed request in writing to the Chief Fiscal Officer of the State stating:

(A) The need and purpose of the transfer;

(B) Efforts to find efficiencies and savings prior to making the request;

(C) Current year-to-date budget and expenditures by line item; and

(D) A detailed line item budget reflecting proposed expenditures in the amount requested.

(2) The Chief Fiscal Officer of the State may request additional information to make a determination and may then approve, modify, or deny the request.

(3) Upon the determination by the Chief Fiscal Officer of the State that a transfer is necessary, the Chief Fiscal Officer of the State shall submit the entity's request and his or her recommendation for approval as required in subsection (c) of this section.

(e) The funds available in the Restricted Reserve Fund may be transferred as provided in § 19-21-102(b)(2)(B)(iii).

19-27-318. Arkansas River Navigation System 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 "Arkansas River Navigation System Fund".

(b) The fund shall consist of:

(1) Grants made by any person or federal government agency;

(2) Any remaining fund balances carried forward from year to year; and

(3) Any other funds authorized or provided by law.

(c) The fund shall be used by the Arkansas Waterways Commission to develop, improve, and expand river transportation resources within the portion of the McClellan-Kerr Arkansas River Navigation System located in the State of Arkansas.

19-27-319. Graduate Medical 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 "Graduate Medical Education Fund".

(b) The fund shall consist of:

(1) Gifts, grants, and donations;

(2) Any revenues provided by law; and

(3) Any other funds and fund transfers authorized or provided for by law.

(c)(1) The fund shall be administered by the Division of Higher Education as provided in § 6-82-2001 et seq., and as provided by any other relevant provisions of law.

(2) The moneys in the fund shall be disbursed at the direction of the Graduate Medical Education Residency Expansion Board as provided under § 6-82-2001 et seq.

19-27-320. Immediate Disaster Response 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 revolving fund to be known as the "Immediate Disaster Response Fund".

(b) Reimbursements received from any federal, state, or local government agency or other states shall be deposited into the State Treasury to the fund as a refund to expenditure.

(c) The fund shall consist of such revenue as may be authorized by law.

(d) The fund shall be used by the Division of Emergency Management for immediate costs of disasters within the state and to assist other states in disaster response requests.

19-27-321. COVID-19 Rainy Day Fund — Definition.

(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 "COVID-19 Rainy Day Fund".

(b) The COVID-19 Rainy Day Fund shall consist of:

(1) Funds transferred from the General Revenue Allotment Reserve Fund to the COVID-19 Rainy Day Fund;

(2) Any revenues provided by law; and

(3) Any fund or fund account transfers provided for by law.

(c) The Chief Fiscal Officer of the State shall use the COVID-19 Rainy Day Fund for transfers to provide funding for one (1) or more appropriations authorized by the General Assembly and to offset general revenue reductions, funding needs, and unanticipated needs created by the coronavirus 2019 (COVID-19) crisis.

(d)(1) Notwithstanding any other provisions of law, the release of any funds from the COVID-19 Rainy Day Fund shall require prior approval, as defined in this subsection, of the:

(A) Speaker of the House of Representatives or his or her designee;

(B) Majority party leader of the House of Representatives or his or her designee;

(C) Minority party leader of the House of Representatives or his or her designee;

(D) President Pro Tempore of the Senate or his or her designee;

(E) Majority party leader of the Senate or his or her designee; and

(F) Minority party leader of the Senate or his or her designee.

(2)(A) The Secretary of the Department of Finance and Administration shall notify the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and all other members of the General Assembly of a request for the release of funds from the COVID-19 Rainy Day Fund.

(B)(i) The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall communicate the request to the respective majority party leader and respective minority party leader.

(ii) If a majority party leader or a minority party leader is unavailable or recuses from the vote, the Speaker of the House of Representatives and the President Pro Tempore of the Senate shall contact the non-responding majority party leader's designee or non-responding minority party leader's designee.

(3)(A) As used in this section, "prior approval" means:

(i) At least two (2) members listed in subdivision (d)(1) of this section from the House of Representatives and two (2) members listed in subdivision (d)(1) of this section from the Senate approve the release of funds from the COVID-19 Rainy Day Fund; and

(ii) The written or electronic approval by the two (2) members listed in subdivision (d)(1) of this section from the House of Representatives and by the two (2) members listed in subdivision (d)(1) of this section from the Senate occurs within two (2) hours after the members received written or electronic notification of the request by the Speaker of the House of Representatives or the President Pro Tempore of the Senate.

(B) In the event the majority party leader or the minority party leader is not available within two (2) hours after the notification has been given or has recused, the Speaker of the House of Representatives or the President Pro Tempore of the Senate shall contact the non-responding majority party leader's designee or non-responding minority party leader's designee and the designee shall either be immediately available or is deemed to vote for approval of the release of funds from the COVID-19 Rainy Day Fund.

(4)(A) The action taken under this subsection shall be reported to the members of the General Assembly.

(B) The report shall include:

(i) Remaining balances in the COVID-19 Rainy Day Fund;

(ii) Total amount released to date; and

(iii) The amount of each prior release and the purpose of the release.

(e) Determining the general revenue funding for a state agency each fiscal year is the prerogative of the General Assembly. This is usually accomplished by delineating such maximums for a state agency with general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization Law, § 19-20-101 et seq. Further, the General

Assembly has determined that the various state agencies may operate more efficiently if some flexibility is provided authorizing broad powers under this section. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval as set out in subsection (d) herein, by this section. The requirement of approval as set out in subsection (d) of this section is not a severable part of this section. If the requirement of approval as set out in subsection (d) of this section is ruled unconstitutional by a court of competent jurisdiction, this entire section is void.

19-27-322. Skills 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 miscellaneous fund to be known as the “Skills Development Fund”.

(b) The fund shall consist of:

(1) General revenues authorized by law;

(2) Moneys obtained from private grants or other sources that are designated to be credited to the fund; and

(3) Any other revenues authorized by law.

(c) The fund shall be used by the Office of Skills Development as provided in § 25-30-109.

19-27-323. Arkansas Foresters for the Future Scholarship 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 “Arkansas Foresters for the Future Scholarship Fund”.

(b) The Arkansas Foresters for the Future Scholarship Fund shall consist of:

(1) Moneys received and deposited into the State Forestry Fund under § 15-31-108 that are equal to the cost of the Arkansas Foresters for the Future Scholarship each academic semester; and

(2) Special revenue funds.

(c) The Arkansas Foresters for the Future Scholarship Fund shall be administered by the Department of Agriculture, Forestry office, as provided in the Arkansas Foresters for the Future Scholarship Program Act of 2021, § 6-82-2101 et seq., and as provided by any other relevant provisions of law.

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

the Automotive Technologist Education Grant Fund balance to two hundred fifty thousand dollars ($250,000).

(B) Funding provided by the commission under subdivision (d)(2)(A) of this section shall not exceed the amount necessary for the commission to retain three (3) years of its running average operating expenses.

(e) The Automotive Technologist Education Grant Fund may be used by the commission to issue Automotive Technologist Education Grants for the program.

19-27-326. Agri Fair 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 “Agri Fair Fund”.

(b) The Agri Fair Fund shall consist of:

(1) General revenues appropriated to:

(A) Agriculture show premiums, refunds, and reimbursements;

(B) County fair improvement grants; and

(C) Community improvement grants, county fairs, and rodeos; and

(2) Other revenues as authorized by law.

(c) The Agri Fair Fund shall be used by the Department of Agriculture for:

(1) Grants and aid under § 2-36-101; and

(2) Personal services and operating expenses of the department.

19-27-327. Electric Vehicle 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 miscellaneous fund to be known as the “Electric Vehicle Infrastructure Fund”.

(b) The fund shall consist of:

(1) General revenues authorized by law;

(2) Moneys obtained from private grants or other sources that are designated to be credited to the fund; and

(3) Any other revenues authorized by law.

(c) The fund shall be used by the Secretary of the Department of Energy and Environment as provided in § 15-10-101.

19-27-328. Public Safety Equipment Grant 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 "Public Safety Equipment Grant Program Fund".

(b) The fund shall consist of:

(1) General revenues authorized by law;

(2) Moneys obtained from private grants or other sources that are designated to be credited to the fund; and

(3) Any other revenues authorized by law.

(c) The fund shall be used by the Secretary of the Department of Public Safety as provided in § 12-1-103.

19-27-329. Philanthropic Investment in Arkansas Kids Academic Accountability 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 "Philanthropic Investment in Arkansas Kids Academic Accountability Fund".

(b) The fund shall consist of:

(1) Moneys obtained from private or public grants, gifts, or donations that are designated to be credited to the fund; and

(2) Any other funds authorized or provided by law.

(c) The fund shall be used by the Division of Elementary and Secondary Education to create and maintain the Philanthropic Investment in Arkansas Kids Program under the Philanthropic Investment in Arkansas Kids Program Act, § 6-18-2301 et seq.

(d) Moneys remaining in the fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

19-27-330. ARSafeSchools 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 “ARSafeSchools Fund”.

(b) The fund shall consist of:

(1) Moneys obtained from private grants or other sources that are designated to be credited to the fund; and

(2) Any other funds authorized or provided by law.

(c) The fund shall be used by the University of Arkansas for Medical Sciences Psychiatric Research Institute solely to create and maintain the ARSafeSchools school safety and crisis line under § 6-18-111.

(d) Moneys remaining in the fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

(e) The University of Arkansas for Medical Sciences Psychiatric Research Institute is not required to implement provisions of this section if the ARSafeSchools school safety and crisis line under § 6-18-111 is not funded.

(f)(1) The University of Arkansas for Medical Sciences Psychiatric Research Institute shall submit an annual report containing the following information to the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee:

(A) The balance of the fund as of the reporting date;

(B) A list of administrative costs paid for from the fund, including without limitation salaries, pensions, and packages;

(C) The total revenue received by the fund during the reporting period; and

(D) A detailed description of steps taken to create and implement the ARSafeSchools school safety and crisis line.

(2) The annual report required under this subsection shall be submitted by January 1 and July 1 of each year.

19-27-331. Arkansas Children’s Educational Freedom Account 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 “Arkansas Children’s Educational Freedom Account Fund”.

(b)(1) Notwithstanding any other provisions of law, for fiscal year 2024 and each fiscal year thereafter, in addition to all other amounts

required under the Arkansas Children's Educational Freedom Account Program, the Department of Education shall include in its annual budget request submitted under § 19-4-301 et seq., and the Governor shall include in each recommendation submitted to the General Assembly under § 19-4-201, an appropriation to the Department of Education, Division of Elementary and Secondary Education, for the greater of an amount not less than two percent (2%) of:

(A) Net public school enrollment adjusted for state foundation funding aid purposes; or

(B) The total number of eligible program applications received by the division, if available, multiplied by the prior year's statewide net foundation funding aid allotted per student.

(2) The amount appropriated under subdivision (b)(1) of this section shall be transferred by the division to the fund to be used solely to meet the obligations required under the program, except as otherwise provided in this section.

(3) The Governor shall include a recommendation, as required under § 19-4-201, that the total amount of funds appropriated to the division that was not transferred to the fund during the previous fiscal year due to an accumulated balance from previous fiscal years as provided under subsection (c) of this section be reappropriated for the subsequent fiscal year.

(c) Each fiscal year, the amount required to be requested and recommended for appropriation under subsection (b) of this section shall be reduced by the sum of:

(1) Any unused, accumulated amounts transferred to the fund due to the requirements under this subsection from previous fiscal years; and

(2) Any unused appropriations made to the department due to the requirements under this subsection that were not transferred to the fund due to an accumulated balance from previous fiscal years.

19-27-332. Literacy Tutoring 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 "Literacy Tutoring Grant Fund".

(b) The fund shall consist of:

(1) Moneys obtained from private or public grants, gifts, or donations that are designated to be credited to the fund; and

(2) Any other funds authorized or provided by law.

(c) The fund shall be used by the Division of Elementary and Secondary Education to create and maintain a literacy tutoring grant program under the Right to Read Act, § 6-17-429.

(d) Moneys remaining in the fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

19-27-333. Arkansas Teacher Academy Scholarship 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 "Arkansas Teacher Academy Scholarship Program Fund".

(b) The fund shall consist of funds authorized or provided by law.

(c) The fund shall be used by the Division of Higher Education to create and maintain the Arkansas Teacher Academy Scholarship Program Act, § 6-82-2201 et seq., which shall include only the following expenses:

(1) Reimbursing an eligible postsecondary institution for Arkansas Teacher Academy scholarships distributed under the Arkansas Teacher Academy Scholarship Program Act, § 6-82-2201 et seq., that cover the balance of tuition and fees for undergraduate, graduate, and postbaccalaureate students who are enrolled in an academy after all other financial gifts, financial aid, and grants have been received by academy attendees enrolled in an academy at eligible postsecondary institutions;

(2) Supporting academy attendees who are currently employed by a public school district in the state;

(3) Conducting induction services for academy graduates; and

(4)(A) Implementing a marketing and promotion plan to recruit and retain students and teachers in the academy with particular emphasis on:

(i) Prioritizing academy attendees who reflect the diversity of the state's student and teacher population; and

(ii) Administering the academy.

(B) However, annual expenditures for funds expended under subdivision (c)(4)(A) of this section shall not exceed three percent (3%) of moneys in the fund each fiscal year.

(d) Moneys remaining in the fund at the end of each fiscal year may be used by an eligible postsecondary institution for academy costs in the next fiscal year.

19-27-334. Teacher Minimum Salary and Raise 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 within the Public School Fund to be known as the "Teacher Minimum Salary and Raise Fund".

(b) The fund shall consist of:

(1) Moneys obtained from private or public grants, gifts, or donations that are designated to be credited to the fund; and

(2) Any other moneys authorized or provided by law.

(c) The fund shall be used by the Department of Education to maintain and distribute revenue authorized under § 6-17-2403 for teacher minimum salary levels and teacher raises.

(d) Moneys remaining in the fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

19-27-335. Merit Teacher 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 within the Public School Fund to be known as the "Merit Teacher Incentive Fund".

(b) The fund shall consist of:

(1) Moneys obtained from private or public grants, gifts, or donations that are designated to be credited to the fund; and

(2) Any other funds authorized or provided by law.

(c) The fund shall be used by the Division of Elementary and Secondary Education to create and maintain the Merit Teacher Incentive Fund Program moneys.

(d) Moneys remaining in the fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

19-27-336. Violent Crime Clearance 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 "Violent Crime Clearance Grant Fund".

(b) The fund shall consist of:

(1) Moneys obtained from private grants or other sources that are designated to be credited to the fund; and

(2) Any other revenues authorized by law.

(c) The fund shall be used by the Secretary of the Department of Public Safety as provided in § 12-6-801 et seq. to fund grant awards.

19-27-337. Agri Scholarship 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 "Agri Scholarship Program Fund".

(b) The fund shall consist of:

(1) Moneys obtained from private or public grants, gifts, or donations that are designated to be credited to the fund; and

(2) Any other funds authorized or provided by law.

(c) The fund shall be used by the Department of Agriculture to create and maintain the Agri Scholarship Program under § 25-38-212.

(d) Moneys remaining in the fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

19-27-338. Imagination Library of Arkansas 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 "Imagination Library of Arkansas Program Fund".

(b) The fund shall consist of:

(1) Moneys obtained from private or public grants, gifts, or donations that are designated to be credited to the fund; and

(2) Any other funds authorized or provided by law.

(c) The fund shall be used by the Department of Education to create and maintain the Imagination Library of Arkansas Program under § 13-2-107.

(d) Moneys remaining in the fund at the end of each fiscal year shall

carry forward and be made available for the purposes stated in this section in the next fiscal year.

19-27-339. Sustainable Building Maintenance Program for State-Supported Institutions of Higher Education Revolving Loan 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 "Sustainable Building Maintenance Program for State-Supported Institutions of Higher Education Revolving Loan Fund".

(b) The Sustainable Building Maintenance Program for State-Supported Institutions of Higher Education Revolving Loan Fund shall consist of:

(1) General revenues authorized by law;

(2) Funds transferred to it from the Development and Enhancement Fund;

(3) Other funds, gifts, bequests, foundation grants and gifts, the Governor's Emergency Fund or other emergency funds, federal grants and matching funds, proceeds from bond issues, services charges or fees, and interagency transfers of funds; and

(4) Funds received from state-supported institutions of higher education to repay loans for the Sustainable Building Maintenance Program for State-Supported Institutions of Higher Education, § 6-62-1201 et seq.

(c) The Sustainable Building Maintenance Program for State-Supported Institutions of Higher Education Revolving Loan Fund shall be used to provide loans to state-supported institutions of higher education for the program as authorized under § 6-62-1201 et seq. and approved by the Arkansas Higher Education Coordinating Board.

19-27-340. Fire Services 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 "Fire Services Fund".

(b) The Fire Services Fund shall consist of:

(1) Special revenues collected under § 8-7-802;

(2) Special revenues from the license fee for fireworks under §§ 20-22-701 — 20-22-715;

(3) Special revenues from the Fire Protection Premium Tax Fund,

§ 19-43-256;

(4) Any other funds authorized or provided by law; and

(5) Any remaining fund balances carried forward from year to year.

(c) The Fire Services Fund shall be used by the Division of Emergency Management and the Office of Fire Protection Services to provide fire protection services.

(d) Moneys remaining in the Fire Services Fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

SUBTITLE 3 — REVENUE CLASSIFICATION LAW

CHAPTER 40. GENERAL PROVISIONS
CHAPTER 41. GENERAL REVENUES
CHAPTER 42. SPECIAL REVENUES
CHAPTER 43. SPECIAL REVENUE FUNDS
CHAPTER 44. TRUST FUND INCOME
CHAPTER 45. FEDERAL GRANTS, AIDS, AND REIMBURSEMENTS
CHAPTER 46. NONREVENUE RECEIPTS
CHAPTERS 47 — 59. [RESERVED.]

CHAPTER 40
GENERAL PROVISIONS

19-40-101. Title.

This *subtitle* shall be referred to and may be cited as the “Revenue Classification Law”.

19-40-102. Purpose.

Because of the many revenue laws of the state providing for the levying and collecting of taxes, licenses, fees, permits, assessments, royalties, leases, rents, fines, interest, and penalties for the support of the state government and its agencies, institutions, boards, and commissions that have been enacted by various General Assemblies, it is the policy of the General Assembly with respect to all such revenues and other income, which are

required by law to be deposited into the State Treasury, to describe, define, and classify all such revenues and other income and to provide for the purposes, individually and collectively, that all such revenues and other income may be used. It is the intent and purpose of this *subtitle* to comply with the Arkansas Constitution, including Arkansas Constitution, Article 16, § 11.

19-40-103. Cash funds.

All taxes, licenses, fees, permits, or other income collected by any board, agency, or commission under the authority of the State of Arkansas that are designated by law to be deposited into a depository other than the State Treasury are classified as "cash funds" and are declared to be revenues of the state to be used as required and to be expended only for such purposes and in such manner as determined by law.

19-40-104. Income required to be deposited into State Treasury.

All taxes, licenses, fees, permits, assessments, royalties, leases, rents, fines, interest, penalties, and other income provided for by law for the support of state government and its agencies, institutions, boards, and commissions that are required by law to be deposited into the State Treasury shall be handled and used in the manner and for the purposes provided for by this *subtitle*.

19-40-105. Handling of collections.

All fines, fees, penalties, court costs, taxes, and other collections that, by the laws of this state, are to be remitted directly to the Treasurer of State for credit in the State Treasury to an account of a state agency shall be remitted directly to the state agency to whose account the same is to be credited. Upon receipt, the state agency shall transmit all collections to the Treasurer of State, to be credited by him or her to the account of the state agency depositing them.

19-40-106. Effect on general revenue statutes.

As to the taxes, licenses, fees, and other revenues classified as general revenues, as set out in this *subtitle*, it is not the purpose of this *subtitle* to levy or change the amount or rate of such taxes, licenses, fees,

and other revenues but to state the purpose for which general revenues are to be used. This *subtitle* shall not be construed as amending any of the provisions of the law with respect to such taxes defined to be general revenues except for the purpose of defining the purposes for which these revenues are raised and collected.

19-40-107. Effect on special revenue statutes.

As to the special taxes, licenses, fees, and other revenues classified as special revenues, as set out in this *subtitle*, it is not the purpose of this *subtitle* to levy or change the amount or rate of such taxes, licenses, fees, and other revenues, nor to change the purposes for which such special revenues are to be used as provided for by law. This *subtitle* shall not be construed as amending any of the provisions of law with respect to such taxes defined to be special revenues except for the purpose of defining the purposes for which these revenues are raised and collected, which also shall include the services rendered by the constitutional and fiscal agencies in the manner provided by law.

19-40-108. Classifications of revenue.

All taxes, licenses, fees, permits, assessments, royalties, leases, rents, fines, interest, penalties, or other governmental income available to the State of Arkansas, which are required by law to be deposited into the State Treasury, shall be classified under one (1) or more of the following:

(1) General revenues;

(2) Special revenues;

(3) Trust fund income;

(4) Federal grants, aids, and reimbursements; and

(5) Nonrevenue receipts.

19-40-109. Miscellaneous revenue.

(a) All fines, penalties, interest, or court costs received in connection with the collection of any revenue shall be classified the same as the revenue for which the fines, penalties, interest, or court costs are levied.

(b) Proceeds from rental of any real or personal property owned by the State of Arkansas shall be classified as special revenues belonging to the

fund or fund account from which the state agency to which the property belongs receives its support unless otherwise specified by law.

(c) All nonrevenue receipts as defined in § 19-46-201 derived from proceeds from the sale of property, income received on account of services being provided by a state agency, or any other miscellaneous earnings of any state agency shall be credited to the fund or fund account from which the state agency draws its support unless specified otherwise by law.

19-40-110. Mixed funds.

If, at the close of any fiscal year, a balance remains in any State Treasury fund, fund account, or account that is subject to transfer at the close of a fiscal year, and into which both general revenues and either special revenues, nonrevenue receipts, or federal reimbursements are deposited and expended, the special revenue portion of the balance shall be the proportion that the amount of special revenues credited to the fund or the fund account is to total funds credited to the fund or the fund account in each fiscal year. The special revenue portion of the balance shall be carried forward to the next fiscal year and shall be used solely for the purposes for which it was collected as provided by law.

CHAPTER 41
GENERAL REVENUES

Subchapter 1. General Provisions [Reserved.]
Subchapter 2. Enumeration of General Revenues

Subchapter 1 — General Provisions [Reserved.]

Subchapter 2 — Enumeration of General Revenues

19-41-201. General revenues enumerated.

The general revenues of the state, as provided by law, shall consist of the following, as described by their commonly known titles:

(1) Sales taxes, as enacted by Acts 1941, No. 386, known as the "Arkansas Gross Receipts Act of 1941", and all laws supplemental or amendatory thereto, § 26-52-101 et seq.;

(2) Use taxes as enacted by Acts 1949, No. 487, known as the "Arkansas Compensating Tax Act of 1949", Acts 1971, No. 222, and all laws supplemental or amendatory thereto, § 26-53-101 et seq.;

(3) Corporation franchise taxes, as enacted by Acts 1979, No. 889, known as the "Arkansas Corporate Franchise Tax Act of 1979", and all laws amendatory thereto, § 26-54-101 et seq.;

(4) Corporation income taxes, as enacted by Acts 1929, No. 118, known as the "Income Tax Act of 1929", Acts 1941, No. 129, and all laws amendatory thereto, § 26-51-101 et seq., with the exception of those additional corporate income taxes set aside as special revenue by § 26-51-205(c)(2);

(5) Individual income taxes, as enacted by Acts 1929, No. 118, known as the "Income Tax Act of 1929", and all laws amendatory thereto, § 26-51-101 et seq.;

(6) Cigarette taxes and permits and other tobacco products taxes and permits, as enacted by Acts 1977, No. 546, known as the "Arkansas Tobacco Products Tax Act of 1977", and all laws amendatory thereto, § 26-57-201 et seq.;

(7) Escheat of unclaimed property, as enacted by Acts 1999, No. 850, known as the "Unclaimed Property Act", and all laws amendatory thereto, § 18-28-201 et seq.;

(8) [Repealed.]

(9) Seventy-five percent (75%) of all severance taxes, with the exception of the taxes paid to sever timber and timber products, the severance tax collected on natural gas, and those portions of severance taxes designated as special revenues in § 19-42-201, as enacted by Acts 1947, No. 136, and all laws amendatory thereto, §§ 26-58-101 — 26-58-103, 26-58-106 — 26-58-111, 26-58-114 — 26-58-116, 26-58-118 — 26-58-120, 26-58-123, and 26-58-124;

(10) Sand, gravel, oil, coal, and other mineral royalties, as enacted by Acts 1975, No. 524, and all laws amendatory thereto, §§ 22-5-801 — 22-5-813;

(11) Oil and gas leases, as enacted by Acts 1975, No. 524, and all laws amendatory thereto, §§ 22-5-801 — 22-5-813;

(12) Petroleum trade practices civil penalties, as enacted by Acts 1993, No. 380;

(13) Estate taxes, as enacted by Acts 1941, No. 136, known as the "Estate Tax Law of Arkansas", and all laws amendatory thereto, §§ 26-59-101 — 26-59-107, 26-59-109 — 26-59-114, 26-59-116 — 26-59-119, 26-59-121, and 26-59-122;

(14) Those portions of real estate transfer taxes, as enacted by Acts 1971, No. 275, and all laws amendatory thereto, §§ 26-60-101 — 26-60-103 and 26-60-105 — 26-60-112;

(15) State Insurance Department Trust Fund moneys in excess of an amount equal to one (1) fiscal year budget for the State Insurance Department, § 23-61-710(c);

(16) Large truck speeding fines, § 27-50-311;

(17) Employment agency licenses, as enacted by Acts 1975, No. 493, known as the "Arkansas Private Employment Agency Act of 1975", and all laws amendatory thereto, § 11-11-201 et seq.;

(18) [Repealed.]

(19) Insurance premium taxes, as enacted by Acts 1959, No. 148, known as the "Arkansas Insurance Code", §§ 23-60-101 — 23-60-108, 23-60-110, 23-61-101 — 23-61-112, 23-61-201 — 23-61-206, 23-61-301 — 23-61-307, 23-61-401, 23-61-402, 23-62-101 — 23-62-108, 23-62-201, 23-62-202, former § 23-62-203, § 23-62-204, § 23-62-205, § 23-63-101 [repealed], §§ 23-63-102 — 23-63-104, 23-63-201 — 23-63-216, 23-63-301, 23-63-302, §§ 23-63-401 — 23-63-404 [repealed], §§ 23-63-601 — 23-63-604, §§ 23-63-605 — 23-63-609 [repealed], §§ 23-63-610 — 23-63-613, 23-63-701, 23-63-801 — 23-63-833, 23-63-835, 23-63-836 [as added by Acts 1983, No. 522], 23-63-837 [as added by Acts 1983, No. 522], § 23-63-838 [repealed], §§ 23-63-901 — 23-63-912, 23-63-1001 — 23-63-1004, 23-64-101 — 23-64-103, 23-64-201 — 23-64-205, § 23-64-206 [repealed], § 23-64-207, § 23-64-208 [repealed], §§ 23-64-209, 23-64-210, §§ 23-64-211 — 23-64-213 [repealed], §§ 23-64-214 — 23-64-221, § 23-64-222 [repealed], §§ 23-64-223 — 23-64-227, 23-65-101 — 23-65-104, 23-65-201 — 23-65-205, 23-65-301 — 23-65-319, 23-66-201 — 23-66-213, § 23-66-214 [repealed], §§ 23-66-301 — 23-66-306, 23-66-308 — 23-66-311, 23-66-313, 23-66-314, 23-68-101 — 23-68-113, 23-68-115 — 23-68-132, 23-69-101 — 23-69-103, 23-69-105 — 23-69-141, 23-69-143, 23-69-149 — 23-69-156, 23-70-101 — 23-70-124, 23-71-101 — 23-71-116, 23-72-101 — 23-72-122, 23-73-101 — 23-73-107, § 23-73-108 [repealed], § 23-73-109 [repealed], §§ 23-73-110 — 23-73-116, former §§ 23-74-101 — 23-74-105, §§ 23-74-106 — 23-74-141 [repealed], §§ 23-75-101 — 23-75-116, § 23-75-117

[repealed], §§ 23-75-118 — 23-75-120, 23-79-101 — 23-79-106, 23-79-109 — 23-79-128, 23-79-131 — 23-79-134, 23-79-202 — 23-79-210, 23-81-101 — 23-81-117, 23-81-120 — 23-81-136, 23-81-201 — 23-81-213, 23-82-101 — 23-82-118, 23-84-101 — 23-84-111, 23-85-101 — 23-85-131, 23-86-101 — 23-86-104, 23-86-106 — 23-86-109, 23-86-112, 23-87-101 — 23-87-119, 23-88-101, 23-89-101, 23-89-102, 26-57-601 — 26-57-605, 26-57-607, 26-57-608, and 26-57-610 and all laws amendatory thereto, with the exception of those premium taxes set aside for the various municipal firemen's pension and relief funds, for the various police officers' pension and relief funds, and for the Workers' Compensation Commission and, with the exception of those additional premium taxes set aside for the Fire Protection Premium Tax Fund under § 26-57-614, and insurance premium taxes from domestic insurers not maintaining a home office in this state as enacted by Acts 1979, No. 908, and all laws amendatory thereto, §§ 23-60-102, 26-57-601 — 26-57-605, and 26-57-607;

(20) Horse racing taxes and fees, including the portion of all moneys wagered, as set out in Acts 1957, No. 46, § 23, as amended, §§ 23-110-406, 23-110-407, § 23-110-408 [repealed], and §§ 23-110-409 and 23-110-410, the annual license fee, ten percent (10%) of admissions or ten cents (10¢) per admission, whichever sum is greater, one-third (⅓) of the unredeemed pari-mutuel tickets, and the license fees of owners, trainers, jockeys, and jockeys' agents, all as enacted by Acts 1957, No. 46, known as the "Arkansas Horse Racing Law", and all laws amendatory thereto, §§ 23-110-101 — 23-110-104, 23-110-201 — 23-110-205, 23-110-301 — 23-110-307, 23-110-401 — 23-110-403, § 23-110-404 [repealed], §§ 23-110-405 — 23-110-407, § 23-110-408 [repealed], and §§ 23-110-409 — 23-110-415;

(21) Dog racing taxes and fees, including three percent (3%) of all moneys wagered up to and including one hundred twenty-five million dollars ($125,000,000) and seven percent (7%) of all moneys wagered in excess of one hundred twenty-five million dollars ($125,000,000) per calendar year at two hundred forty-four (244) days of racing, one-third (⅓) of the odd cents or breaks, the daily operating license fee and fees paid by each greyhound owner and trainer, simulcast taxes of two percent (2%) of all moneys wagered up to and including three hundred fifty thousand dollars ($350,000), three percent (3%) in excess of three hundred fifty thousand dollars ($350,000) but less than or equal to five hundred thousand dollars ($500,000), and six percent (6%) in excess of five hundred thousand dollars

($500,000), per racing performance and ten percent (10%) of admissions or ten cents (10¢) per admission, whichever sum is greater, as enacted by Acts 1957, No. 191, known as the "Arkansas Greyhound Racing Law", §§ 23-111-101 — 23-111-104, 23-111-201 — 23-111-205, 23-111-301 — 23-111-308, 23-111-501, 23-111-506, § 23-111-507 [repealed], and §§ 23-111-508 — 23-111-514, and all laws amendatory thereto, and the additional four (4) of six (6) days of racing authorized in § 23-111-504;

(22) Alcoholic beverages taxes, permits, licenses, and fees, including the following:

(A) Liquor gallonage taxes and imported wine taxes, as enacted by Acts 1935, No. 109, and all laws amendatory thereto, §§ 3-7-101 — 3-7-110;

(B) Permits and fees for manufacturer and dispensary privileges, as enacted by Acts 1935, No. 108, known as the "Arkansas Alcoholic Control Act", and all laws amendatory thereto, §§ 3-1-101 — 3-1-103, 3-2-101, 3-2-205, 3-3-101 — 3-3-103, 3-3-212, 3-3-401, 3-3-404, 3-3-405, 3-4-101 — 3-4-103, 3-4-201, 3-4-202, 3-4-207 — 3-4-211, 3-4-213, 3-4-214, 3-4-217, 3-4-219, 3-4-220, 3-4-301 — 3-4-303, 3-4-501, 3-4-503, 3-4-601 — 3-4-605, 3-8-301, 3-8-303, 3-8-305 — 3-8-310, 3-8-313 — 3-8-317, 3-9-237, and 23-12-708, but not including fees for grocery store wine permits authorized under § 3-5-1802;

(C) Nonintoxicating beer and wine taxes, as enacted by Acts 1933 (1st Ex. Sess.), No. 7, and all laws amendatory thereto, §§ 3-5-201 — 3-5-207, 3-5-209 — 3-5-221, 3-5-223 — 3-5-225, and 3-8-401;

(D) Brandy taxes and fees, as enacted by Acts 1953, No. 163, known as the "Native Brandy Law", and all laws amendatory thereto, § 3-6-101 et seq.;

(E) The additional taxes on native wine and beer and the additional permits fees for retail liquor and beer permits and wholesale liquor and beer permits, as enacted by Acts 1969, No. 271, and all laws amendatory thereto, §§ 3-7-111 and 3-7-506;

(F) The additional taxes on liquor and native wine, as enacted by Acts 1949, No. 282, and all laws amendatory thereto, §§ 3-3-314 and 3-7-111;

(G) The special alcoholic beverage excise taxes, as enacted by Acts 1951, No. 252, and all laws amendatory thereto, §§ 3-7-201

and 3-7-205;

(H) Wholesale and retail permits and fees for the sale of liquor and beer, as enacted by Acts 1933 (1st Ex. Sess.), No. 7, and all laws amendatory thereto, §§ 3-5-201 — 3-5-207, 3-5-209 — 3-5-221, 3-5-223 — 3-5-225, and 3-8-401;

(I) Restaurant wine permits, as enacted by Acts 1965, No. 120, and all laws amendatory thereto, §§ 3-9-301 — 3-9-303 and 3-9-305 — 3-9-307;

(J) Permits and taxes on alcoholic beverages sold for on-premises consumption, as enacted by Acts 1969, No. 132, and all laws amendatory thereto, §§ 3-9-201 — 3-9-214, 3-9-221 — 3-9-225, and 3-9-232 — 3-9-237;

(K) Seventy cents (70¢) per gallon of the tax levied upon native wine, permits and fees, as enacted by §§ 3-5-401 — 3-5-412 [repealed]; and

(L) Wine sales on-premise licenses, §§ 3-9-601 — 3-9-606;

(23) Sale of confiscated alcoholic beverages, as enacted by Acts 1947, No. 423, and all laws amendatory thereto, §§ 3-3-301 — 3-3-303, § 3-3-304 [repealed], § 3-3-308 [repealed], and §§ 3-3-311 — 3-3-314;

(24) Fees collected by the Alcoholic Beverage Control Division for transcripts and fines for violations, as enacted by Acts 1981, No. 790, and all laws amendatory thereto, §§ 3-2-201, 3-2-217, 3-4-213, 3-4-401 — 3-4-406, 3-4-502, 3-5-305, and 3-5-306;

(25) Any fines, penalties, or court costs received in connection with the collection of any of the revenues enumerated in this section;

(26) Any other taxes, fees, license fees, and permits required to be deposited into the State Treasury as provided by law and not otherwise classified;

(27) Savings and loan associations' application fees, annual fees, amendment fees, examination fees, broker's license fees, and other miscellaneous fees, as enacted by Acts 1963, No. 227, §§ 23-37-101 — 23-37-107, 23-37-201, 23-37-202, 23-37-204, 23-37-206 — 23-37-212, 23-37-214, 23-37-301 — 23-37-315, 23-37-401, 23-37-403, 23-37-405, 23-37-406, 23-37-501 — 23-37-510, 23-37-512, 23-37-601, and 23-37-701 — 23-37-705;

(28) Credit union charter fees, annual supervision fees, and examination fees, as enacted by Acts 1971, No. 132, § 23-35-101 et seq.;

(29) Sale of checks, investigation fees, annual license fees, semiannual reports filing fees, and examination fees, as enacted by Acts 1965, No. 124, known as the "Sale of Checks Act", § 23-41-101 et seq. [repealed];

(30) Securities division fees, including loan broker's licenses, mortgage loan company licenses, broker-dealer licenses, agent licenses, investment advisor licenses, agent examination fees, broker-dealer examination fees, statement filing fees, quarterly reports, and proof of exemption filing fees, all as enacted by Acts 1959, No. 254, known as the "Arkansas Securities Act", and all laws amendatory thereto, §§ 23-42-101 — 23-42-110, 23-42-201 — 23-42-212, 23-42-301 — 23-42-308, 23-42-401 — 23-42-405, and 23-42-501 — 23-42-507;

(31) Professional fundraiser and solicitor fees, as enacted by §§ 4-28-401 — 4-28-416;

(32) Unclaimed security deposits, as enacted by Acts 1969, No. 296, as amended by Acts 1975, No. 1007, §§ 27-19-306, 27-19-408, 27-19-501, 27-19-503, 27-19-603, 27-19-609, 27-19-610, 27-19-612, 27-19-619 — 27-19-621, and 27-19-706 — 27-19-708;

(33) Vending devices sales taxes, as enacted in § 26-57-1001 et seq. and that portion of vending device decal fees and penalties provided in the Vending Devices Decal Act of 1997, § 26-57-1201 et seq.;

(34) Anonymous campaign contributions of fifty dollars ($50.00) or more, as enacted by Acts 1975, No. 788, and all laws amendatory thereto, §§ 7-6-201 — 7-6-210, 7-6-211 [repealed], 7-6-212 [repealed], 7-6-213, and 7-6-214;

(35) Telephonic sellers registration fees, § 4-99-104;

(36) [Repealed.]

(37) Arkansas Department of Transportation miscellaneous fees, permits, penalties, and fines, as enacted by Acts 1955, No. 397, known as the "Arkansas Motor Carrier Act, 1955", and all laws amendatory thereto, § 23-13-201 et seq.;

(38) Radiation protection civil penalties, as enacted by Acts 1980 (1st Ex. Sess.), No. 67, and all laws amendatory thereto, § 20-21-401 et seq.;

(39) That portion of the reinstatement fees under § 5-65-119(a)(2)(C), and that portion of the reinstatement fees under §§ 5-65-304(d)

and 5-65-310(f);

(40) Short-term rental of tangible personal property tax, § 26-63-301;

(41) Excess campaign contributions, as enacted by § 7-6-203;

(42) Retail pet store registration fees, as enacted by § 4-97-104;

(43) Rental vehicle tax, § 26-63-302;

(44) Residential moving tax, § 26-63-303;

(45) Arkansas Quarry Operation, Reclamation, and Safe Closure Act fees, fines, and bond forfeiture amounts, § 15-57-401 et seq.;

(46) [Repealed.]

(47) [Repealed.]

(48) Arkansas Feed Law of 1997 penalties, § 2-37-113;

(49) Election, voter registration law, and State Board of Election Commissioners fines, § 7-4-118 [repealed];

(50) Remaining funds on dissolution of ballot question committees or legislative question committees, § 7-9-404;

(51) Uniform Athlete Agents Act registration and renewal fees, § 17-16-109;

(52) Until July 1, 2011, moneys in excess of one million dollars ($1,000,000) in the State Securities Department Fund from collections of securities agents initial or renewal registration filing fees and securities registration statement filing fees, § 23-42-211(a)(4);

(53) Human cloning fines, § 20-16-1002;

(54) The first three dollars ($3.00) of each unregistered vehicle temporary preprinted paper buyer's tag fee, § 27-14-1705;

(55) Electronic games of skill privilege fees and all permit or license fees, penalties, and fines received by the Arkansas Racing Commission, § 23-113-604;

(56) Prohibited employment of relatives civil penalties, § 25-16-1001 et seq.;

(57) The first six hundred seventy-five thousand dollars ($675,000) of the five percent (5%) of the severance tax collected on natural gas at the rates enacted by § 26-58-111(5);

(58) Seventy-six and six-tenths percent (76.6%) of all taxes, interest, penalties, and costs on taxes levied on the gross receipts or gross

proceeds derived from the sale of food and food ingredients, § 26-52-317(c)(1)(A);

(59) Seventy-six and six-tenths percent (76.6%) of the tax, interest, penalties, and costs received on excise taxes levied on the gross receipts or gross proceeds derived from the sale of natural gas and electricity to a manufacturer for use directly in the actual manufacturing process, § 26-52-319(a)(1)(A);

(60) Seventy-six and six-tenths percent (76.6%) of the taxes, interest, penalties, and costs received on taxes levied on the privilege of storing, using, distributing, or using food and food ingredients, § 26-53-145(c)(1)(A);

(61) Seventy-six and six-tenths percent (76.6%) of the tax, interest, penalties, and costs received on excise taxes levied on the sales price of natural gas and electricity purchased by a manufacturer for use directly in the actual manufacturing process, § 26-53-148(a)(1)(A);

(62) Seventy-six and six-tenths percent (76.6%) of the excise taxes levied on all dyed distillate special fuel sold, used, or utilized in the state, § 26-56-224(c)(1);

(63) That portion of Unified Carrier Registration Act of 2005, Pub. L. No. 109-59, § 4301 et seq. — fines and penalties, § 23-13-605;

(64) Charitable bingo and raffle license fees and excise taxes levied as enacted by §§ 23-114-302, 23-114-307, and 23-114-601;

(65) Additional tax on cigarettes and tobacco products other than cigarettes, as enacted by Acts 2009, No. 180, and all laws amendatory thereto, § 26-57-801 et seq.;

(66) Partial-birth abortion civil fines and penalties, as enacted by Acts 2009, No. 196, and all laws amendatory thereto, the Partial-Birth Abortion Ban Act, § 20-16-1201 et seq.;

(67) International student exchange visitor placement organization registration fees, as enacted by Acts 2009, No. 966, and all laws amendatory thereto, the International Student Exchange Visitor Placement Organization Registration Act, § 6-18-1701 et seq.;

(68) [Repealed.]

(69) Certification of tobacco product manufacturers civil penalties, § 26-57-1303(a)(11)(B);

(70) Sale, distribution, and stamping of tobacco products civil

penalties, § 26-57-1306(f)(1);

(71) Permit fees or taxes, label fees, penalties, fines, proceeds of all forfeitures, special inspection fees and costs as enacted by Acts 2013, No. 483, and all laws amendatory thereto, the Direct Shipment of Vinous Liquor Act, § 3-5-1701 et seq.;

(72) The first four and one-half (4½) mills on gas assessments levied each fiscal year until July 1, 2023, under § 15-71-107(b)(2)(A)(i);

(73) Fines received by the State Board of Election Commissioners, § 7-4-120(h)(4); and

(74) Paid fantasy sports games tax, § 23-116-104.

CHAPTER 42
SPECIAL REVENUES

Subchapter 1. General Provisions [Reserved.]
Subchapter 2. Enumeration of Special Revenues

Subchapter 1 — General Provisions [Reserved.]

Subchapter 2 — Enumeration of Special Revenues

19-42-201. Special revenues enumerated.

The special revenues of the state, its agencies, departments, institutions, commissions, and boards, as provided by law and as required by law to be deposited into the State Treasury, shall consist of the following, as described by their commonly known titles:

(1) The remainder of motor vehicle operator and chauffeur licenses and penalties, as confirmed and enacted by § 12-8-301 et seq., known as the "Division of Arkansas State Police Communications Equipment Leasing Act", which are not required for debt service requirements that are authorized to be deposited into the State Treasury under §§ 12-8-307 — 12-8-310;

(2) Motor vehicle registration and license fees, as enacted by Acts 1929, No. 65, §§ 26-55-101, 27-14-305, 27-14-601, § 27-15-1501 [repealed], §§ 27-64-104, 27-65-101, 27-65-107, 27-65-110, 27-65-112, 27-65-131 — 27-65-133, 27-67-101, 27-67-102, 27-67-201, 27-67-206 — 27-67-208, 27-

67-211, 27-67-214, and 27-67-218, and all laws amendatory thereto, Acts 1965, No. 87, § 27-15-4001, Acts 1959, No. 122, § 27-15-2101 [repealed], Acts 1959, No. 189, § 27-15-2003 [repealed], and Acts 1969, No. 36, §§ 27-15-401 — 27-15-406 [repealed];

(3) Distillate special motor fuels taxes and liquefied gas special motor fuels taxes and license and permit fees, as enacted by § 26-56-101 et seq., known as the "Special Motor Fuels Tax Law", and all laws amendatory thereto, including the:

(A) Eight and one-half cent (8.5¢) tax on distillate special motor fuels levied by § 26-56-201(a)(1)(A)(i) and the one cent (1¢) tax on distillate special motor fuels levied by § 26-56-201(a)(1)(A)(ii);

(B) Seven and one-half cent (7.5¢) tax on liquefied gas special motor fuels levied by § 26-56-301(a);

(C) Additional one cent (1¢) tax on distillate special motor fuels levied by § 26-56-201(a)(2);

(D) Additional four cent (4¢) tax on liquefied gas special motor fuels and the additional two cent (2¢) tax on distillate special motor fuels levied by § 26-56-502(a);

(E) Additional four cent (4¢) tax on distillate special motor fuels levied by § 26-56-201(d)(1);

(F) Additional five cent (5¢) tax on liquefied gas special motor fuels and the additional two cent (2¢) tax on distillate special motor fuels levied by § 26-55-1201(a) and § 26-56-601; and

(G) Additional liquefied gas special motor fuels user permit fees levied in § 26-55-1002;

(4) Gasoline taxes, as enacted by the Motor Fuel Tax Law, § 26-55-201 et seq., including the:

(A) Eight and one-half cent (8.5¢) tax on motor fuels levied by § 26-55-205(a);

(B) Additional one cent (1¢) tax on motor fuels levied by § 26-55-205(b);

(C) Additional four cent (4¢) tax on motor fuels levied by § 26-55-1002(a);

(D) Additional five cent (5¢) tax on motor fuels levied by § 26-55-1201(a) and § 26-56-601; and

(E) Additional total of three cents (3¢) tax on motor

fuels levied by § 26-55-1006;

(5) Fireworks licenses, as enacted by Acts 1961, No. 224, and all laws amendatory thereto, §§ 20-22-701 — 20-22-715;

(6) Timberlands taxes, as enacted by Acts 1969, No. 354, known as the "Forest Fire Protection Tax Act of 1969", and all laws amendatory thereto, § 26-61-101 et seq., state forests and nurseries management income not deposited into the State Forestry Trust Fund, §§ 15-31-115 and 19-26-221; law enforcement fine collections, §§ 15-31-113 and 15-31-114; and timber management plan fees, § 15-31-111;

(7) Motor vehicle in-transit fees, as enacted by Acts 1935, No. 183, and all laws amendatory thereto, §§ 27-14-1801 — 27-14-1808;

(8) Motor vehicle drive-out licenses, as enacted by Acts 1955, No. 111, §§ 27-14-2101 — 27-14-2105;

(9) Motor vehicle certificates of title and duplicates, noting liens, transfer of registration and duplicate or substitute registration certificates and license plates, § 27-14-602, in excess of and after the amounts required to pay the principal and interest on loans and bonds have been made under the 1995 New Revenue Division Building Act, Acts 1995, No. 725;

(10) Overweight and special permits for vehicles and overlength crane permits, as enacted by Acts 1955, No. 98, and all laws amendatory thereto, §§ 27-35-201 — 27-35-203, 27-35-206 — 27-35-208, and 27-35-210; and, overwidth or overlength mobile home permits, as enacted by Acts 1971, No. 264, and all laws amendatory thereto, § 27-35-211 and § 27-35-301 et seq.;

(11) Motor vehicle title registration fees and the noting of liens fees, as enacted by Acts 1949, No. 142, known as the "Uniform Motor Vehicle Administration, Certificate of Title, and Antitheft Act", and all laws amendatory thereto, § 27-14-101 et seq., § 27-14-201 et seq. [repealed], §§ 27-14-301 — 27-14-304, 27-14-306 — 27-14-308, 27-14-310, 27-14-312, 27-14-313, § 27-14-401 et seq., §§ 27-14-602, 27-14-604, 27-14-606, 27-14-701, 27-14-703, 27-14-705, 27-14-707, 27-14-708, 27-14-710 — 27-14-716, 27-14-718 — 27-14-722, 27-14-801 — 27-14-804, 27-14-901 — 27-14-904, § 27-14-905 [repealed], §§ 27-14-906 — 27-14-913, § 27-14-1701 et seq., § 27-14-2001 et seq., § 27-14-2203 [repealed], §§ 27-14-2204, 27-14-2205, 27-14-2207, 27-14-2210, and 27-14-2211, which are in excess of the amount required by Acts 1961 (1st Ex. Sess.), No. 38, known as the "Arkansas Revenue Department Building

Act", to be cash funds pledged for the principal and interest payments of the Arkansas Revenue Department Building Commission revenue bonds;

(12) Soybean assessments, as enacted by Acts 1971, No. 259, §§ 2-20-401, 2-20-403, 2-20-404, and 2-20-406 — 2-20-409;

(13) Paying patients' fees, excluding those received from Medicare or Medicaid and the Social Security Administration, or from other sources which cause a decrease in the monthly vendor payment, for services provided by the appropriate Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services and Division of Developmental Disabilities Services divisions and programs of the Department of Human Services;

(14) Fees received by the Arkansas Crime Information Center for driver's records and other informational services, as enacted by Acts 1971, No. 286, and all laws amendatory thereto, §§ 12-12-201 — 12-12-203, 12-12-206, 12-12-207, 12-12-209, and 12-12-211 — 12-12-213;

(15) Dog racing taxes derived from all revenues from the pari-mutuel tax of fifteen (15) additional days of dog races authorized by §§ 23-111-502 — 23-111-505, and all laws amendatory thereto;

(16) Dog racing taxes derived from two-thirds (⅔) of the net proceeds of three (3) additional days of dog races at each meet, as authorized by § 23-111-503(a)(2), and all laws amendatory thereto;

(17) Aviation sales and use taxes, as enacted by Acts 1967, No. 449, and all laws amendatory thereto, § 27-115-110;

(18) Revenue received from saw timber and timber products severance taxes and twenty-five percent (25%) of all other severance taxes, with the exception of the severance tax collected on natural gas, as enacted by Acts 1947, No. 136, and all laws amendatory thereto, §§ 26-58-101 — 26-58-103, 26-58-106 — 26-58-111, 26-58-114 — 26-58-116, 26-58-118 — 26-58-120, 26-58-123, and 26-58-124;

(19) Motor fuel tax forms, including books and decals, as enacted by Acts 1967, No. 376, § 26-55-713;

(20) Motor boat registration fees, as enacted by Acts 1959, No. 453, and all laws amendatory thereto, §§ 27-101-101 — 27-101-109, § 27-101-201 et seq., §§ 27-101-301 — 27-101-306, and 27-101-308 — 27-101-312;

(21) Three percent (3%) municipal taxes, which are further identified as the three percent (3%) collection cost of the one percent (1%)

gross receipts tax levied by a city having a population of not more than thirty thousand (30,000) persons that has been designated as a model city, as authorized by Acts 1968 (1st Ex. Sess.), No. 4, and all laws amendatory thereto, §§ 26-75-501 — 26-75-507;

(22) Drivers' search fees, as enacted by Acts 1977, No. 465, and all laws amendatory thereto, §§ 27-50-901 — 27-50-903, and 27-50-905 — 27-50-909, § 27-50-910 [repealed], § 27-50-911, Acts 1989, No. 241, § 27-23-118(b)(2) and § 27-23-118(c)(2);

(23) [Repealed.]

(24) Private career education school licenses and fees, as enacted by Acts 1989, No. 906, and all laws amendatory thereto, §§ 6-51-601 — 6-51-617;

(25) Elevator safety board fees, as enacted by Acts 1963, No. 189, and all laws amendatory thereto, §§ 20-24-101 — 20-24-117, and 20-24-119;

(26) Net proceeds derived from the sale of pine grown on state highway rights-of-way or other highway-related areas, as enacted by Acts 1983, No. 696, § 22-5-101;

(27) Those insurance premium taxes set aside for firemen's and police officers' pension and relief and related purposes, §§ 24-11-301 and 24-11-809, with the exception of those premium taxes set aside for transfer to the State Police Retirement Fund under § 24-6-209(b);

(28) Bank department charter fees, assessments, and examination fees, as enacted by Acts 1913, No. 113, and all laws amendatory thereto, § 16-110-406, § 23-30-101 [repealed], §§ 23-31-201 — 23-31-205 [repealed], §§ 23-31-212 — 23-31-215 [repealed], § 23-32-102 [repealed], former §§ 23-32-201 — 23-32-204, former § 23-32-208, former § 23-32-210, § 23-32-216 [repealed], § 23-32-222 [repealed], § 23-32-224 [repealed], § 23-32-225 [repealed], § 23-32-227 [repealed], § 23-32-228 [repealed], § 23-32-701 [repealed], §§ 23-32-703 — 23-32-705 [repealed], § 23-32-710 [repealed], § 23-32-713 [repealed], § 23-32-716 [repealed], § 23-32-803 [repealed], § 23-32-905 [repealed], § 23-32-1001 [repealed], § 23-32-1002 [repealed], § 23-32-1006 [repealed], § 23-32-1008 [repealed], §§ 23-32-1101 — 23-32-1103 [repealed], § 23-32-1106 [repealed], §§ 23-32-1108 — 23-32-1111 [repealed], §§ 23-33-101 — 23-33-103 [repealed], § 23-33-105 [repealed], § 23-33-106 [repealed], §§ 23-33-201 — 23-33-207 [repealed], § 23-33-212 [repealed], § 23-33-213 [repealed], §§ 23-

33-301 — 23-33-308 [repealed], § 23-33-310 [repealed], § 23-34-101 [repealed], § 23-34-103 [repealed], § 23-34-105 [repealed], § 23-34-106 [repealed], § 23-34-108 [repealed], § 23-34-110 [repealed], and § 23-34-111 [repealed];

(29) Industrial loan institutions assessments and examination fees, as enacted by Acts 1941, No. 111, §§ 23-36-101 — 23-36-117;

(30) Various asset forfeiture proceeds, § 5-64-505(f)(5)(B), § 5-64-505(h)(1)(A), and § 5-64-505(i);

(31) Fees recovered from ex-offenders on probation, parole, or post-release supervision from a facility of the Division of Community Correction, as enacted by Acts 1981, No. 70, and all laws amendatory thereto, § 16-93-104;

(32) Liquefied petroleum gas board filing fees, inspection fees, registration fees, permits, and certificates of competency, as enacted by Acts 1965, No. 31, known as the "Liquefied Petroleum Gas Board Act", and all laws amendatory thereto, §§ 15-75-101 — 15-75-108, 15-75-110, 15-75-201 — 15-75-204, § 15-75-205 [repealed], §§ 15-75-206 — 15-75-209, 15-75-301 — 15-75-321, and 15-75-401 — 15-75-405;

(33) Brand registration, sales of state brand books, and fees for transfer of brand titles, as enacted by Acts 1959, No. 179, § 2-34-201, § 2-34-202 [repealed], § 2-34-203, § 2-34-204 [repealed], §§ 2-34-205 — 2-34-212;

(34) Arkansas Livestock and Poultry Commission fees and revenues as enacted by Acts 1981, No. 867, and all laws amendatory thereto, § 2-33-113, consisting of:

(A) Income from the livestock spraying program, as enacted by Acts 1969, No. 360, and all laws amendatory thereto, § 2-33-207 [repealed] and § 2-33-208 [repealed];

(B) Poultry and egg grading fees as enacted by Acts 1969, No. 220, known as the "Arkansas Egg Marketing Act of 1969", and all laws amendatory thereto, § 20-58-201 et seq.;

(C) Acts 1965, No. 49, and all laws amendatory thereto, §§ 2-33-301 — 2-33-305, and 2-33-307;

(D) Acts 1975 (Extended Sess., 1976), No. 1216, and all laws amendatory thereto, §§ 2-33-306 and 2-33-307;

(E) Carcass data information and feeder pig and feeder

calf grading fees, as enacted by Acts 1973, No. 454, and all laws amendatory thereto, §§ 2-33-201 — 2-33-206 [repealed];

(F) Livestock and poultry diagnostic service fees, § 2-33-111;

(G) State, county, and district paid admission surcharges, § 2-33-115(a)(3) [repealed];

(H) Small animal testing fees, as enacted by Acts 1981, No. 770, and all laws amendatory thereto, § 2-33-112 [repealed];

(I) Commercial bait and ornamental fish fees collected under the Commercial Bait and Ornamental Fish Act, § 2-5-201 et seq.; and

(J) Catfish processor civil penalties collected under the Arkansas Catfish Processor Fair Practices Act of 1987, § 2-6-101 et seq.;

(35) Arkansas Rice Research and Promotion Board assessments, § 2-20-507;

(36) Boiler inspection fees, certificates of competency, permits, examination fees, and licenses, as enacted by Acts 1961, No. 494, and all laws amendatory thereto, §§ 20-23-101 — 20-23-105, § 20-23-201 [repealed], §§ 20-23-202, 20-23-203, 20-23-301 — 20-23-313, and 20-23-401 — 20-23-405;

(37) Motor vehicle registration reinstatement fees, § 27-22-103(b)(4)(B), and motor vehicle insurance reporting penalties, § 27-22-107;

(38) Special motor-driven cycle and bicycle operators' licenses and certificates, as enacted by §§ 27-20-101 — 27-20-116;

(39) Polygraph examiner's examination and license fees, as enacted by Acts 1967, No. 413, known as the "Polygraph Examiners Licensing Act", §§ 17-39-101 — 17-39-107, § 17-39-108 [repealed], §§ 17-39-109, and 17-39-201 — 17-39-214;

(40) Private investigator's application fees, agency fees, and license fees and security guard fines and fees, as enacted by Acts 1977, No. 429, known as the "Private Security Agency, Private Investigator, and School Security Licensing and Credentialing Act", and all laws amendatory thereto, §§ 17-40-101 — 17-40-104, 17-40-204, 17-40-207 — 17-40-209, 17-40-301, 17-40-302, 17-40-306 — 17-40-317, 17-40-329 — 17-40-332, 17-40-337, 17-40-339, 17-40-340, 17-40-342 — 17-40-344, and 17-40-349 — 17-40-355;

(41) Cosmetology board examination, registration, license, duplicate license, reinstatements, reciprocity, renewal and delinquent

licenses and fees, as enacted by Acts 1955, No. 358, known as the "Cosmetology Act", and all laws amendatory thereto, §§ 17-26-101 — 17-26-105, 17-26-201, § 17-26-202 [repealed], § 17-26-203 [repealed], §§ 17-26-204 — 17-26-210, § 17-26-301 [repealed], §§ 17-26-302 — 17-26-304, § 17-26-305 [repealed], § 17-26-306, § 17-26-307, § 17-26-308 [repealed], §§ 17-26-309 — 17-26-312, § 17-26-313 [repealed], §§ 17-26-314 — 17-26-319, § 17-26-320 [repealed], §§ 17-26-321, and 17-26-401 — 17-26-415, § 17-26-416 [repealed], and §§ 17-26-417 and 17-26-418;

(42) That portion not declared to be "pledged revenues" for debt service on any certificates of indebtedness issued under Acts 1983, No. 458, §§ 22-3-1201 — 22-3-1214, § 22-3-1215 [repealed], and §§ 22-3-1216 — 22-3-1219, and that portion not declared cash funds paid to the Arkansas Development Finance Authority for deposit into the Correction Facilities Privatization Account of the Correction Facilities Construction Fund, § 22-3-1210(c)(1)(A), of the Division of Correction's income from its farm operations, including sale of farm products and livestock, rental of farm properties, and payments from agencies of the state or federal government in connection with the farm operations, as enacted by Acts 1968 (1st Ex. Sess.), No. 50, and all laws amendatory thereto, §§ 12-27-101 — 12-27-105, 12-27-107 — 12-27-109, 12-27-112, 12-27-113, 12-27-115, 12-27-118, 12-27-120, 12-28-102, 12-29-101, former 12-29-102, 12-29-103, 12-29-104, 12-29-107, 12-29-112, 12-29-401, 12-30-301, 12-30-306, 12-30-401, 12-30-403, 12-30-405 — 12-30-407, § 12-30-408 [repealed], §§ 16-93-101, 16-93-102, former § 16-93-201, §§ 16-93-202 — 16-93-204, 16-93-601, 16-93-610, 16-93-701, 16-93-705, and 25-8-106;

(43) That portion not declared to be "pledged revenues" for debt service on any certificates of indebtedness issued under Acts 1983, No. 458, §§ 22-3-1201 — 22-3-1214, § 22-3-1215 [repealed], §§ 22-3-1216 — 22-3-1219, of the Division of Correction's sales, or dispositions of articles and products manufactured or produced by prison labor, as enacted by Acts 1967, No. 473, known as the "Prison-Made Goods Act of 1967", § 12-30-201 et seq.;

(44) [Repealed.]

(45) Interest on investments held in the University of Arkansas Endowment Fund, as enacted by Acts 1945, No. 249, and all laws amendatory thereto;

(46) Pest control service work examination fees, operators' licenses, and agents' and solicitors' registration fees, as enacted by Acts

1975, No. 488, known as the “Arkansas Pest Control Law”, and all laws amendatory thereto, §§ 17-37-101 — 17-37-105, § 17-37-106 [repealed], §§ 17-37-107, 17-37-201, and 17-37-203 — 17-37-221;

(47) Liming material registration fees and inspection fees, as enacted by Acts 1969, No. 353, known as the “Arkansas Agricultural Liming Materials Act”, §§ 2-19-301 — 2-19-308;

(48) Fertilizer registration fees for manufacturers, jobbers, and manipulators of commercial fertilizers and fertilizer inspection fees, as enacted by Acts 1951, No. 106, and all laws amendatory thereto, §§ 2-19-201 — 2-19-210;

(49) Nursery dealers, agents, and salesperson’s license fees, as enacted by Acts 1919, No. 683, known as the “Arkansas Nursery Fraud Act of 1919”, and all laws amendatory thereto, § 2-21-101 et seq.;

(50) Arkansas Feed Law of 1997 inspection fees, and registration and license fees, § 2-37-101 et seq.;

(51) Pesticide registration fees, as enacted by Acts 1975, No. 410, known as the “Arkansas Pesticide Control Act”, and all laws amendatory thereto, § 2-16-401 et seq.;

(52) Pesticide commercial, noncommercial, private and pilot applicators’ license fees, pesticide dealers’ license fees, and inspection and permit fees, as enacted by Acts 1975, No. 389, known as the “Arkansas Pesticide Use and Application Act”, and all laws amendatory thereto, § 20-20-201 et seq.;

(53) Fees for seed inspection and certificate of inspection tags, as enacted by Acts 1931, No. 73, and all laws amendatory thereto, §§ 2-16-206 and 2-18-101 — 2-18-108;

(54) Agricultural products inspection fees and inspectors’ licenses, as enacted by Acts 1925, No. 218, known as the “Agricultural Products Grading Act of 1925”, § 2-20-101 et seq.;

(55) Inspection, treatment, and certification fees for insect pests and diseases, plants, planting seeds, noxious weeds, or other substance, as enacted by Acts 1917, No. 414, known as the “Arkansas Plant Act of 1917”, § 2-16-201 et seq., and Acts 1921, No. 519, known as the “Arkansas Emergency Plant Act of 1921”, § 2-16-301 et seq.;

(56) Annual license fees, application investigation fees, and fines from precious stones and precious metals buyers, as enacted by Acts

1981, No. 87, and all laws amendatory thereto, §§ 17-23-101 — 17-23-104, 17-23-201 — 17-23-207, and § 17-23-208 [repealed];

(57) [Repealed.]

(58) Individual sewage disposal systems fees, as enacted by Acts 1977, No. 402, known as the "Arkansas Sewage Disposal Systems Act", and all laws amendatory thereto, § 14-236-101 et seq.;

(59) Hazardous waste transporter, generator, and management facility fees, as enacted by Acts 1980 (1st Ex. Sess.), No. 5 [superseded], and all laws amendatory thereto, and § 8-7-226;

(60) Nuclear planning and response fees collected from each utility in the state which operates one (1) or more nuclear generating facilities, as enacted by Acts 1980 (1st Ex. Sess.), No. 67, and all laws amendatory thereto, §§ 20-21-401 — 20-21-405;

(61) Brine taxes imposed upon all brine produced in the state for the purpose of bromine extraction, as enacted by Acts 1979, No. 759, and all laws amendatory thereto, § 26-58-301;

(62) Oil and Gas Commission fees, including oil assessments, gas assessments in excess of four and one-half (4½) mills each fiscal year until July 1, 2023, under § 15-71-107(b)(2)(A)(i), drilling permits, permits for plugging wells, and permits for each salt water well, all as enacted by Acts 1939, No. 105, and all laws amendatory thereto, §§ 15-71-101 — 15-71-112, 15-72-101 — 15-72-110, 15-72-205, 15-72-212, 15-72-216, 15-72-301 — 15-72-324, and 15-72-401 — 15-72-407, and the portion of taxes levied on salt water used in bromine production, as enacted by Acts 1947, No. 136, and all laws amendatory thereto, § 26-58-111(9);

(63) Arkansas State Game and Fish Commission licenses, fees, tags, permits, and fines, all as authorized by Arkansas Constitution, Amendment 35, annual resident hunting and fishing licenses, §§ 15-42-104 and 15-42-110; all interest earned on Arkansas State Game and Fish Commission funds, § 15-41-110; all fees, compensation, or royalties for mineral leases or permits for lands held in the name of the Arkansas State Game and Fish Commission, § 22-5-809(c)(4); all assessed fines as set out in § 15-41-209; and forty-five percent (45%) of the additional one-eighth of one percent (⅛ of 1%) sales and use tax authorized by Arkansas Constitution, Amendment 75;

(64) Plumbers' licenses, examination fees, permits, and registration fees, as enacted by Acts 1951, No. 200, and all laws amendatory

thereto, §§ 17-38-101 — 17-38-103, 17-38-201 — 17-38-205, and 17-38-301 — 17-38-310;

(65) Fees for medical identification tags and bracelets, as enacted by Acts 1965, No. 433, § 20-7-119;

(66) [Repealed.]

(67) Seventy-five percent (75%) of child passenger protection act fines, as enacted by Acts 1983, No. 749, known as the "Child Passenger Protection Act", § 27-34-101 et seq.;

(68) Dairy products licenses, permits, and fees, as enacted by Acts 1941, No. 114, and all laws amendatory thereto, §§ 20-59-201 — 20-59-247;

(69) Department of Health vital statistics fees and other specified fees, as set out in § 20-7-123;

(70) Arkansas Public Service Commission annual assessment fees, as enacted by Acts 1945, No. 40, §§ 23-2-101, 23-2-103 — 23-2-105, 23-2-108, 23-2-109, 23-2-403, 23-2-406, 23-2-407, 23-2-409, 23-2-413, 23-2-418, 23-3-109, and 23-3-110, and Acts 1935, No. 324, §§ 14-200-101, 14-200-103 — 14-200-108, 14-200-111, 23-1-101 — 23-1-112, 23-2-301, 23-2-303 — 23-2-308, 23-2-310, 23-2-312, 23-2-314 — 23-2-316, § 23-2-402, § 23-2-404 [repealed], §§ 23-2-405, 23-2-408, 23-2-410 — 23-2-412, 23-2-414 — 23-2-421, 23-2-426, 23-2-428, 23-2-429, 23-3-101 — 23-3-107, 23-3-112 — 23-3-115, 23-3-118, 23-3-119, 23-3-201 — 23-3-206, 23-4-102, 23-4-103, 23-4-105 — 23-4-109, 23-4-205, 23-4-402 — 23-4-405, 23-4-407 — 23-4-418, 23-4-620 — 23-4-634, and 23-18-101, and all laws amendatory thereto;

(71) Arkansas Public Service Commission miscellaneous fees, as enacted by Acts 1935, No. 324, §§ 14-200-101, 14-200-103 — 14-200-108, 14-200-111, 23-1-101 — 23-1-112, 23-2-301, 23-2-303 — 23-2-308, 23-2-310, 23-2-312, 23-2-314 — 23-2-316, 23-2-402, § 23-2-404 [repealed], §§ 23-2-405, 23-2-408, 23-2-410 — 23-2-412, 23-2-414 — 23-2-421, 23-2-426, 23-2-428, 23-2-429, 23-3-101 — 23-3-107, 23-3-112 — 23-3-115, 23-3-118, 23-3-119, 23-3-201 — 23-3-206, 23-4-102, 23-4-103, 23-4-105 — 23-4-109, 23-4-205, 23-4-402 — 23-4-405, 23-4-407 — 23-4-418, 23-4-620 — 23-4-634, and 23-18-101, and Acts 1949, No. 262, §§ 23-3-109 and 23-16-101 — 23-16-106, and all laws amendatory thereto;

(72) Board of Electrical Examiners of the State of Arkansas examination, license, and penalty fees, as enacted by Acts 1979, No. 870, §

17-28-101 et seq., § 17-28-201 et seq., and § 17-28-301 et seq., and Acts 1981, No. 132, and all laws amendatory thereto;

(73) Milk inspection fees, as enacted by Acts 1981, No. 587, and all laws amendatory thereto, §§ 20-59-401 — 20-59-406 and § 20-59-407 [repealed];

(74) Proceeds from sales of tax-forfeited lands, as enacted by Acts 1929, No. 129, and all laws amendatory thereto, § 26-37-210;

(75) Redemption of tax-forfeited lands and quitclaim deed fees, as enacted by Acts 1891, No. 151, and all laws amendatory thereto, § 26-37-310 et seq.;

(76) The following fees:

(A) Commissioner of State Lands fees, including patent fees, as enacted by Acts 1883, No. 117, § 21-6-203;

(B) Deed fees, as enacted by Acts 1931, No. 245, § 22-5-408;

(C) Donation deed fees, as enacted by Acts 1883, No. 117, § 21-6-203;

(D) Field notes and plats fees, as enacted by Acts 1881, No. 12, §§ 22-5-701 and 22-5-702;

(E) Certificate of donation to forfeited land fees, as enacted by Acts 1883, No. 117, § 21-6-203; and

(F) Those fees as specified in Acts 1983, No. 886, § 21-6-203;

(77) Proceeds from sales of islands, as enacted by Acts 1971, No. 148, §§ 22-6-201 and 22-6-203;

(78) Insurance filing fees, renewal fees, amendment fees, reinstatement fees, agents' licenses, brokers' licenses, solicitors' licenses, examination fees, adjusters' licenses, copies of documents and certificates of the Insurance Commissioner, all as enacted by Acts 1959, No. 148, known as the "Arkansas Insurance Code", and all laws amendatory thereto, §§ 23-60-101 — 23-60-108, 23-60-110, 23-61-101 — 23-61-112, 23-61-201 — 23-61-206, 23-61-301 — 23-61-307, 23-61-401, 23-61-402, 23-62-101 — 23-62-108, 23-62-201, 23-62-202, former § 23-62-203, § 23-62-204, § 23-62-205, § 23-63-101 [repealed], §§ 23-63-102 — 23-63-104, 23-63-201 — 23-63-216, 23-63-301, 23-63-302, §§ 23-63-401 — 23-63-404 [repealed], §§ 23-63-601 — 23-63-604, §§ 23-63-605 — 23-63-609 [repealed], §§ 23-63-610 — 23-63-613, 23-63-701, 23-63-

801 — 23-63-833, 23-63-835, 23-63-836 [as added by Acts 1983, No. 522], 23-63-837 [as added by Acts 1983, No. 522], § 23-63-838 [repealed], §§ 23-63-901 — 23-63-912, 23-63-1001 — 23-63-1004, 23-64-101 — 23-64-103, 23-64-201 — 23-64-205, § 23-64-206 [repealed], § 23-64-207, § 23-64-208 [repealed], § 23-64-209, § 23-64-210, §§ 23-64-211 — 23-64-213 [repealed], §§ 23-64-214 — 23-64-221, § 23-64-222 [repealed], §§ 23-64-223 — 23-64-227, 23-65-101 — 23-65-104, 23-65-201 — 23-65-205, 23-65-301 — 23-65-319, 23-66-201 — 23-66-213, § 23-66-214 [repealed], §§ 23-66-301 — 23-66-306, 23-66-308 — 23-66-311, 23-66-313, 23-66-314, 23-68-101 — 23-68-113, 23-68-115 — 23-68-132, 23-69-101 — 23-69-103, 23-69-105 — 23-69-141, 23-69-143, 23-69-149 — 23-69-156, 23-70-101 — 23-70-124, 23-71-101 — 23-71-116, 23-72-101 — 23-72-122, 23-73-101 — 23-73-107, § 23-73-108 [repealed], § 23-73-109 [repealed], §§ 23-73-110 — 23-73-116, former §§ 23-74-101 — 23-74-105, §§ 23-74-106 — 23-74-141 [repealed], §§ 23-75-101 — 23-75-116, § 23-75-117 [repealed], §§ 23-75-118 — 23-75-120, 23-79-101 — 23-79-106, 23-79-109 — 23-79-128, 23-79-131 — 23-79-134, 23-79-202 — 23-79-210, 23-81-101 — 23-81-117, 23-81-120 — 23-81-136, 23-81-201 — 23-81-213, 23-82-101 — 23-82-118, 23-84-101 — 23-84-111, 23-85-101 — 23-85-131, 23-86-101 — 23-86-104, 23-86-106 — 23-86-109, 23-86-112, 23-87-101 — 23-87-119, 23-88-101, 23-89-101, 23-89-102, 26-57-601 — 26-57-605, 26-57-607, 26-57-608, and 26-57-610;

(79) Trademark and service-mark registration and assignment fees, as enacted by Acts 1967, No. 81, §§ 4-71-101 — 4-71-114 [repealed];

(80) Milk laboratory antibiotic drug testing program fees and fines, § 20-59-701 et seq.;

(81) Commercial vehicle temporary registration tag fees, as enacted by Acts 1975, (Extended Sess., 1976), No. 1179, and all laws amendatory thereto, § 27-14-1306;

(82) Incorporation fees of railroads, street interurban, or other transportation companies, express companies, sleeping car companies, and private car companies, as enacted by Acts 1911, No. 87, § 23-11-102;

(83) Filing and recording fees for a charter of educational institutions and for filing and recording a certificate for a change of name or provisions of a charter, as enacted by Acts 1911, No. 375, §§ 6-2-101 — 6-2-105, § 6-2-106 [repealed], §§ 6-2-107 — 6-2-109, 6-2-111, and 6-2-112;

(84) Fees for filing articles of incorporation and issuing a certificate of incorporation of nonprofit corporations, filing an application

of a foreign corporation for a certificate of authority to conduct affairs in this state and issuing a certificate of authority, and for other administrative functions, as enacted by Acts 1963, No. 176, known as the "Arkansas Nonprofit Corporation Act", §§ 4-28-201 — 4-28-206 and 4-28-209 — 4-28-224;

(85) Articles of incorporation filing fees, articles of amendment filing fees, fees for certified copies, other miscellaneous filing fees and certificates, and for receiving service of process on behalf of a corporation, both foreign and domestic, and all other fees, as enacted by Acts 1965, No. 576, known as the "Arkansas Business Corporation Act", § 4-26-101 et seq.;

(86) Fees collected as authorized under Acts 1961, No. 185, as amended, known as the "Uniform Commercial Code", § 4-1-101 et seq.;

(87) Fees collected for filing articles of incorporation for cooperative marketing associations, as enacted by Acts 1921, No. 116, as amended, known as the "Cooperative Marketing Act", § 2-2-401 et seq.;

(88) Fees collected from rural telephone cooperatives, as enacted by Acts 1951, No. 51, as amended, known as the "Rural Telecommunications Cooperative Act", § 23-17-201 et seq.;

(89) Annual license fees collected from rural electrification corporations, as enacted by Acts 1937, No. 342, as amended, known as the "Electric Cooperative Corporation Act", § 23-18-301 et seq.;

(90) Annual license fees collected from agricultural cooperative associations, as enacted by Acts 1939, No. 153, as amended, §§ 2-2-101 — 2-2-124;

(91) That portion of driver's license special fees for duplicate and identification licenses, as enacted by Acts 1977, No. 311, and all laws amendatory thereto, § 27-16-801, § 27-16-805, and § 27-16-806(a) and (b);

(92) Fees collected from mutual corporations, excepting insurance companies, having no capital stock for the filing of articles of incorporation, as enacted by Acts 1911, No. 87, § 4-26-1204;

(93) Abstracter's examining licenses and fees, as enacted by Acts 1969, No. 109, as amended, known as the "Abstracters' Licensing Law of 1969", § 17-11-101 et seq.;

(94) Driver education fees, as enacted by Acts 1965, No. 531, §§ 27-18-101, 27-18-102, and 27-18-104 — 27-18-106;

(95) Fees charged by the Arkansas Livestock and Poultry Commission for the various examinations, permits, licenses, and certificates issued by the Arkansas Livestock and Poultry Commission, as enacted by Acts 1975, No. 650, as amended, the Arkansas Veterinary Medical Practice Act, § 17-101-101 et seq.;

(96) Receipts from timber severed from state-owned lands and rentals from trespassers on state lands, as enacted by Acts 1931, No. 125, §§ 22-5-602 and 22-5-603;

(97) Annual license fees received from septic tank cleaning businesses, as enacted by Acts 1973, No. 71, §§ 17-45-101 — 17-45-105;

(98) Environmental compatibility and public need certificate initial filing fee, as enacted by Acts 1973, No. 164, and all laws amendatory thereto, §§ 23-18-501 — 23-18-529;

(99) Arkansas Motor Vehicle Commission license fees, as enacted by Acts 1975, No. 388, known as the "Arkansas Motor Vehicle Commission Act", §§ 23-112-101 — 23-112-103, 23-112-105, 23-112-201 — 23-112-205, 23-112-301 — 23-112-311, § 23-112-401 [repealed], §§ 23-112-402 — 23-112-404, § 23-112-405 [repealed], §§ 23-112-406, and 23-112-501 — 23-112-509;

(100) Arkansas Public Service Commission inspection fees as authorized by Acts 1971, No. 285, § 8, as amended, §§ 23-15-211, 23-15-214, and 23-15-216, for operating the Pipeline Safety Division;

(101) The additional severance tax levied on oil produced in this state, as enacted by Acts 1977, No. 310, § 4, and all laws amendatory thereto, § 26-58-301;

(102) Arkansas Manufactured Home Commission registration fees and salesperson's licenses, as enacted by Acts 1977, No. 419, known as the "Arkansas Manufactured Homes Standards Act", and all laws amendatory thereto, § 20-25-101 et seq.;

(103) [Repealed.]

(104) All Division of Environmental Quality fees, unless otherwise provided by law, § 8-1-105, landfill operator license fees, § 8-6-909, and that portion of new tire waste tire fees, § 8-9-404;

(105) Interstate fuel user marking fees, fines, and penalties, as enacted by Acts 1979, No. 434, §§ 26-55-708 and 26-55-709, and all laws amendatory thereto;

(106) Motor vehicle title application fees, fines, and

penalties, as enacted by Acts 1949, No. 142, § 33, as amended by Acts 1979, No. 439, and Acts 1981, No. 40, and all laws amendatory thereto, § 27-14-705;

(107) Transfers from the Securities Reserve Fund of interest earned on the balance of the Arkansas Department of Transportation Fund, including all internal accounts and funds thereof, as enacted by Acts 1979, No. 438, § 27-70-204, and all laws amendatory thereto;

(108) Arkansas Board of Dispensing Opticians examination, license, and registration fees, as enacted by Acts 1981, No. 589, known as the "Ophthalmic Dispensing Act", and all laws amendatory thereto, § 17-89-101 et seq.;

(109) Arkansas State Board of Nursing examination and license fees, as enacted by Acts 1971, No. 432, and all laws amendatory thereto, §§ 17-87-101 — 17-87-105, 17-87-201 — 17-87-204, 17-87-301 — 17-87-309, and 17-87-401;

(110) Social work examination and license fees, as enacted by Acts 1999, No. 1122, known as the "Social Work Licensing Act", § 17-103-101 et seq., and all laws amendatory thereto;

(111) Brine production assessments as enacted by Acts 1979, No. 937, § 3(d), as amended, § 15-76-306(d);

(112) Amusement attraction permits, as enacted by Acts 1983, No. 837, known as the "Amusement Ride and Amusement Attraction Safety Insurance Act", § 23-89-501 et seq.;

(113) Arkansas Beef Council cattle assessments, § 2-35-401 et seq.;

(114) [Repealed.]

(115) Hazardous and toxic materials facility fees, § 12-84-106;

(116) The additional severance tax levied on coal, as enacted by Acts 1983, No. 560, § 26-58-112;

(117) The additional severance tax levied on stone and crushed stone, as enacted by Acts 1983, No. 761, § 26-58-113, and those portions of real estate transfer taxes, as enacted by Acts 1971, No. 275, and all laws amendatory thereto, §§ 26-60-105 and 26-60-112;

(118) Five percent (5%) of the gross proceeds collected through set-off procedures from debtors who owe money to the State of Arkansas, as enacted by Acts 1983, No. 372, §§ 26-36-301 — 26-36-320;

(119) The first designated portion of real estate transfer taxes

for the continuing education of county and circuit clerks, as enacted by Acts 1971, No. 275, and all laws amendatory thereto, §§ 26-60-105 and 26-60-112;

(120) That portion of driver's license reinstatement fees for the Office of Driver Services, § 5-65-119(a)(2)(B);

(121) [Repealed.]

(122) Agricultural consultant license fees, the Agricultural Consultants Licensing Act of 1987, § 17-13-101 et seq.;

(123) [Repealed.]

(124) Three percent (3%) of local sales and use taxes, which are further identified as the three percent (3%) collection cost of the local sales and use taxes, imposed by a city under § 26-75-217, a county under § 26-74-214, and a city or county under § 26-82-111;

(125) [Repealed.]

(126) Those portions of vaccination fees imposed at livestock markets, as enacted by Acts 1985, No. 150, and Acts 1985, No. 151, § 2-40-206, and that portion of all fines and penalties resulting from arrests made or citations issued by Arkansas Livestock and Poultry Commission enforcement officers, § 2-33-113(b) [repealed];

(127) Arkansas Wheat Promotion Board assessments, as enacted by Acts 1985, No. 283, §§ 2-20-601 — 2-20-609;

(128) [Repealed.]

(129) Local exchange carriers access line surcharges and commercial mobile radio service provider telephone number surcharges, § 23-17-119;

(130) Asbestos removal license fees, §§ 20-27-1001 — 20-27-1007;

(131) Mammography accreditation fees, § 20-15-1005;

(132) [Repealed.]

(133) Child care facility license fees, § 20-78-223;

(134) [Repealed.]

(135) Dog racing taxes derived from the net proceeds of two (2) of the additional six (6) days of dog races, as authorized by § 23-111-504;

(136) Emergency medical services fees, § 20-13-211;

(137) Food service establishment and food salvager permits and fees, §§ 20-57-102, 20-57-201, § 20-57-202 [repealed], § 20-57-203, and § 20-57-204;

(138) Nursing home administrator license application and renewal

fees, §§ 20-10-404 and 20-10-405;

(139) [Repealed.]

(140) Health maintenance organizations licenses and fees, § 23-76-127;

(141) Ionizing radiation license and registration fees, § 20-21-217;

(142) Public Water System Service Act fees, fines, and penalties, § 20-28-101 et seq.;

(143) Swimming pools regulation fees and fines, §§ 20-30-102 and 20-30-106;

(144) Department of Health public health laboratory fees, § 20-7-114;

(145) Additional real estate transfer tax, § 26-60-105(b);

(146) Two percent (2%) of gross receipts derived from the sale or rental on certain items related to tourism, § 26-63-402;

(147) Breath testing instrument maintenance fees, § 20-7-128;

(148) That portion of commercial driver license application fees, § 27-23-118(a)(1); driver search fees, § 27-23-118(b)(1) and § 27-23-118(c)(1); and all fines, forfeitures, and penalties collected under § 27-23-118(d) of the Arkansas Uniform Commercial Driver License Act, § 27-23-101 et seq.;

(149) That portion of commercial driver license application fees, § 27-23-118(a)(2);

(150) Commercial driver license examination fees, § 27-23-110(d);

(151) Arkansas Catfish Promotion Board assessments, § 2-9-107;

(152) Turnpike project tolls, §§ 27-90-203 and 27-90-204;

(153) Regulated substance storage tank license fees and that portion of annual registration fees, § 8-7-802(a)(2)(B); civil penalties collected under § 8-7-806; and that portion of costs collected under § 8-7-807;

(154) Landfill disposal and transportation fees, § 8-6-606;

(155) That portion of driver's license reinstatement fees for the Office of Alcohol Testing, § 5-65-119(a)(2)(A), § 5-65-304(d), and § 5-65-310(f);

(156) Medicaid Fraud False Claims Act penalties, § 20-77-903;

(157) Child care facility fines and penalties, § 20-78-219;

(158) Fees for certifying blasters, § 20-27-1102;

(159) Pseudorabies control and eradication program fees, § 2-40-1201;

(160) HVACR Licensing Board fees, § 17-33-204;

(161) [Repealed.]

(162) That portion of landfill disposal fees collected when a private industry bears the expense of operating and maintaining the landfill solely for the disposal of wastes generated by the industry, § 8-6-607(b)(2);

(163) Those additional corporate income taxes as specified in § 26-51-205(c)(2);

(164) Those additional insurance premium taxes as specified in § 26-57-614, the portion of premium tax designated in § 26-57-603(d), and the amount of insurance premium taxes transferred due to the provisions of §§ 24-11-301 and 24-11-809;

(165) That portion of rim removal fees and import fees, § 8-9-404;

(166) Commercial medical waste fees and fines, § 20-32-104;

(167) Additional landfill disposal and transportation fees, § 8-6-1003 et seq.;

(168) That portion of annual registration fees for above-ground storage tanks, § 8-7-802(a)(2)(C);

(169) Fees received by the State Plant Board for licensing and regulation of public grain warehouses;

(170) Elder person or person with a disability enhanced civil penalties, § 4-88-202;

(171) That portion 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, § 26-59-122(a);

(172) The following fees:

(A) The additional fees assessed or imposed upon insurers, insurance agents, brokers, professional bail bond companies, and other licensees or registrants, § 23-61-711;

(B) The additional professional bail bond company fees, § 17-19-111;

(C) Health maintenance organization fees, § 23-76-127;

(D) Professional employer organization biennial license fees, § 23-92-407; and

(E) Employer service assurance organization affidavit fees, § 23-92-414;

(173) That portion of securities agents initial or renewal registration filing fees, § 23-42-304(a)(2) and § 23-42-304(a)(4);

(174) That portion of securities registration statement filing fees, § 23-42-404(b)(1);

(175) Background investigation fees, § 12-8-120;

(176) Criminal history information record search fees for noncriminal justice purposes, § 12-12-1012;

(177) Alcohol and drug abuse treatment program application fees and accreditation costs, § 20-64-906;

(178) Marine Sanitation Program fees, § 27-101-408;

(179) [Repealed.]

(180) Arkansas Conservation Corps fee-for-service project fees, § 11-13-105(c) [repealed];

(181) Transfers from general revenues for financial incentive plans and incentive agreements under § 15-4-1607, § 26-51-506(c)(2)(B)(vii), § 26-51-506(c)(3)(D)(vi), and § 26-51-2704(c)(8)(A);

(182) Alternative fuels taxes, fees, penalties, and interest, as enacted in § 26-62-101 et seq., known as the “Alternative Fuels Tax Law”, and all laws amendatory thereto;

(183) Dog racing taxes derived from seventy-five percent (75%) of the net proceeds of six (6) additional days of dog races during each twelve-month period, § 23-111-515;

(184) Transporters of commercial medical waste vehicle inspection fees, § 20-32-105;

(185) Motor vehicle accident report and records of traffic violations photostatic or written copies fees, § 27-53-210;

(186) Motor vehicle liability insurance fines, § 27-22-103;

(187) Rail and other carriers fees, § 23-16-105;

(188) Life care provider application filing fees, § 23-93-206;

(189) Additional marriage license fees, § 9-30-109;

(190) Used motor vehicle dealer license fees, § 23-112-608, and

that portion of used motor vehicle dealer fines, § 23-112-603(c)(1);

(191) Criminal Investigation Division antifraud assessments and penalties, §§ 23-100-104 and 23-100-105;

(192) Seventy-one percent (71%) of the additional cigarette and tobacco products tax, § 26-57-1101 et seq., as determined by § 26-57-1106;

(193) One-eighth of one cent (⅛¢) gross receipts and compensating taxes, Arkansas Constitution, Amendment 75;

(194) Waterworks operators fees, § 17-51-106;

(195) Equine Infectious Anemia Control and Eradication Program fees, § 2-40-826;

(196) Arkansas Corn and Grain Sorghum Promotion Board assessments, § 2-20-805;

(197) State Convicted Offender DNA Data Base Act fines, § 12-12-1118;

(198) Sex Offender Registration Act of 1997 fines, § 12-12-910;

(199) [Repealed.]

(200) Thirty percent (30%) of parking fines and fees, § 27-15-305(c);

(201) Twenty-nine percent (29%) of the additional cigarette and tobacco products tax, § 26-57-1103;

(202) [Repealed.]

(203) Littering fines, § 8-6-404;

(204) Fees from investigations and inspections of various boards' licensees, § 17-80-106;

(205) Body piercing, branding, and tattooing license fees and penalties, § 20-27-1503 [repealed];

(206) [Repealed.]

(207) [Repealed.]

(208) [Repealed.]

(209) [Repealed.]

(210) Various Department of Health vital statistic fees, § 19-43-267(b);

(211) [Repealed.]

(212) Revenue-generating technology system contract taxes and fees, § 19-60-107(d);

(213) The first one hundred fifty thousand dollars ($150,000) of

fines collected under § 23-42-209, § 23-42-213(b), and § 23-42-308;

(214) The transfer of up to thirty-one and six-tenths percent (31.6%) of amounts received in the Tobacco Settlement Program Fund, Acts 2002 (1st Ex. Sess.), No. 2, § 19-90-108;

(215) Arkansas Biological Agent Registry Act civil penalties, § 20-36-104;

(216) Drug court program user fees, § 16-98-304, and specialty court program user fees, § 16-10-701;

(217) Additional marriage license fees, § 16-20-407(b)(2);

(218) That portion of an operator's driver's license reinstatement fees, § 5-65-119(a)(2)(D);

(219) That portion of suspended, revoked, or cancelled driver's license reinstatement fees, § 27-16-508(b) and § 27-16-808(b)(2);

(220) That portion of driver license special fees for duplicate and identification licenses, § 27-16-805 and § 27-16-806(c);

(221) Civil penalties and fines collected under the Arkansas Catfish Marketing Act of 1975, § 20-61-201 et seq., and § 20-61-101;

(222) That portion of penalties collected for failure to pay fees for registration and licensing of motor vehicles, § 27-14-601(e);

(223) Design-use contribution fees, § 27-15-4904;

(224) Mixed drink supplemental taxes on sales of alcoholic beverages, § 3-9-213(c)(2)(A) and § 3-9-223(c)(2)(A);

(225) Arkansas Bureau of Standards lab tests or inspection fees, § 4-18-329(c);

(226) Auto auction fees for salvage-titled or parts-only titled vehicles, § 23-112-614;

(227) Vehicle identification number verification fees, § 27-14-725(d);

(228) Spyware monitoring fines and penalties, § 4-111-104;

(229) That portion of uniform filing fees collected in circuit court under § 16-10-314 and § 21-6-403(b)(1);

(230) Forfeited bonds; fee assessments; reimbursements for well-site plugging, repair, and restoration costs from well operators; and proceeds from the sale of hydrocarbons and production equipment located at the site of abandoned and orphaned wells, § 15-71-110(e) and § 15-71-116;

(231) County quorum court special license plate application

fees, § 27-24-303(b)(2);

(232) Fees for diagnostic laboratory services of the Division of Agriculture of the University of Arkansas, § 6-64-1013;

(233) That portion of uniform filing fees collected in circuit court under § 16-10-313 and § 21-6-403(b)(1);

(234) Commercial motor vehicle driving offenses fines and penalties, § 27-23-114(h)(2);

(235) Criminal History for Volunteers Act fees, § 12-12-1609;

(236) Adult and Long-Term Care Facility Resident Maltreatment Act civil penalties, § 12-12-1706;

(237) Phase I Environmental Site Assessment Consultant Act fees, §§ 8-7-1301 — 8-7-1304, §§ 8-7-1305 — 8-7-1310 [repealed], and § 8-7-1311;

(238) Ninety-five percent (95%) of the severance tax collected on natural gas at the rates enacted by § 26-58-111(5) and five percent (5%) of the severance tax collected on natural gas under § 26-58-124(c)(2);

(239) Unified Carrier Registration Act of 2005, Pub. L. No. 109-59, § 4301 et seq., registration fees, § 23-13-604;

(240) Landfill disposal fees to support a computer and electronic recycling program, §§ 8-6-612 [repealed] and 8-6-614 [repealed];

(241) Commercial Driver Alcohol and Drug Testing Database penalties, § 27-23-209 [repealed];

(242) School-Age Children Eye and Vision Care Fund [repealed] donations, grants of money, gifts and appropriations from private sources, from municipal and county governments, from the state, and from the United States Government, as created in uncodified § 1 of Acts 2007, No. 138;

(243) Arkansas retirement community eligibility application fees, § 15-14-104;

(244) Annual fleet management fees, § 27-14-610(e)(2);

(245) Securities agents branch office registration filing fees, § 23-42-304(a)(5);

(246) The first designated portion of real estate transfer taxes for the continuing education of county coroners under §§ 26-60-105 and 26-60-112;

(247) Registration for nonprofit motor vehicle fleets management fees, § 27-14-611(d)(1);

(248) Suspended registration reinstatement fees, § 27-22-

103(b)(4)(B)(i);

(249) Certificate of franchise authority fees, § 23-19-204;

(250) That portion of fees and fines collected under § 20-27-1502 [repealed], § 20-27-1508 [repealed], § 20-27-1509 [repealed], and § 20-27-1511 [repealed];

(251) That portion of license fees, renewal fees, and civil penalties collected under § 17-55-101 et seq.;

(252) Voice stress analysis examiner's license fees, § 17-39-305;

(253) Fees collected under § 12-12-1510(c);

(254) All permit and license fees received by Arkansas Tobacco Control under the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et seq.;

(255) Fees collected under § 27-14-602(c);

(256) Driving monitoring program fees, § 27-50-912(f)(2);

(257) Permit fees paid under the Arkansas Industrial Hemp Production Act, § 2-15-501 et seq.;

(258) All sales tax revenues collected by the Department of Finance and Administration from the sale of usable marijuana under the Arkansas Medical Marijuana Amendment of 2016, Arkansas Constitution, Amendment 98;

(259) That portion of notice filing fees and penalties, § 23-42-509(a);

(260) Revenues collected under § 9-15-202(d);

(261) Revenues collected under § 16-10-305(h);

(262) Grocery store wine permit fees, § 3-5-1802;

(263) The wholesale sales tax on motor fuel levied under § 26-64-101;

(264) The wholesale sales tax on distillate special fuel levied under § 26-64-102;

(265) Additional registration fees for electric vehicles, hybrid vehicles, and plug-in hybrid electric vehicles under § 27-14-614;

(266) Motorboat duplicate title, lien filing, lien notation, and certificate of title fees set forth in the Arkansas Motorboat Registration and Titling Act, § 27-101-1001 et seq.;

(267) Motorboat certificate of title with beneficiary processing

fees and certificate of title application fees set forth in the Arkansas Motorboat Registration and Titling Act, § 27-101-1001 et seq.;

(268) Ten percent (10%) of each booking and administration fee collected under § 12-41-505;

(269) Expedited title processing fees collected under § 27-14-705(e)(2);

(270) Driving record information fees collected under § 27-23-117;

(271) Civil penalties collected under § 25-38-203;

(272) Fines collected under § 2-38-504;

(273) Fees collected under § 20-7-140;

(274) Processing fees collected under § 26-54-104(b)(1); and

(275) Digital asset mining business penalties under § 23-119-101 et seq.

CHAPTER 43
SPECIAL REVENUE FUNDS

Subchapter 1. General Provisions [Reserved.]
Subchapter 2. Enumeration of Special Revenue Funds
Subchapter 3. Enumeration of Special Revenue Funds, Continued

Subchapter 1 — General Provisions [Reserved.]

Subchapter 2 — Enumeration of Special Revenue Funds

19-43-201. Division of Aeronautics 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 Aeronautics Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(17).

(c) The fund shall be used by the Division of Aeronautics for:

(1) Distributing grants-in-aid to qualifying airports of the state as authorized by law;

(2) Distributing grants to qualifying applicants as determined

by the Director of the Division of Aeronautics and the Aeronautics Commission for any purpose related to:

(A) The development of aeronautics;

(B) The promotion of aeronautics; or

(C) Aviation education;

(3) The maintenance, operation, and improvement required in carrying out the functions, powers, and duties set out in § 27-114-101 et seq.; or

(4) Carrying out other duties imposed by law upon the division, including without limitation the duties set out in § 27-115-110.

19-43-202. Division of Correction Farm 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 Farm Fund".

(b) The fund shall consist of those revenues as specified in § 19-42-201(42).

(c) The fund shall be used for the maintenance, operation, and improvement of the Division of Correction's farming operations.

(d) Any surplus accruing in the fund, upon determination of that surplus, shall be transferred to the Division of Correction Inmate Care and Custody Fund Account.

19-43-203. Division of Arkansas State Police 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 Arkansas State Police Fund".

(b) The Division of Arkansas State Police Fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(1), (7), (8), (38)-(40), (94), (150), (168), (175), (184)-(186), (190), (218)-(220), (222), (226), (227), (234), (252), and (270);

(2) Moneys transferred or deposited from the State Administration of Justice Fund;

(3) Those general revenues as may be provided by law, there to be used for the maintenance, operation, and improvement of the Division of Arkansas State Police in carrying out the functions, powers, and duties as

stated in § 12-8-106 or other duties imposed by law upon the division;

(4) Any revenues credited to the Division of Arkansas State Police Fund under the Division of Arkansas State Police Headquarters Facilities and Equipment Financing Act, § 12-8-601 et seq.; and

(5) Federal reimbursements received for eligible expenditures by the various programs of the division made payable from the Division of Arkansas State Police Fund.

19-43-204. Arkansas Department of Transportation 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 Department of Transportation Fund".

(b) The Arkansas Department of Transportation Fund shall consist of:

(1) That part of the special revenues as specified in § 19-42-201(2)-(4), (22), (81), (105)-(107), (182), and (256), known as "highway revenue", as distributed under the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq., and § 27-70-103 and § 27-72-301 et seq.;

(2) Those special revenues specified in § 19-42-201(10), (152), (187), and (239);

(3) Fifty percent (50%) of § 19-42-201(26);

(4) That portion of § 19-42-201(2) as set out in § 27-14-601(a)(3)(H)(ii)(f);

(5) That portion of § 19-42-201(222);

(6) Those designated revenues as set out in § 26-56-201(e)(1), which consist of the additional total of four cents (4¢) distillate special fuel taxes to be distributed as provided in the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq.;

(7) Federal revenue sharing funds as set out in § 19-27-205;

(8) The special revenues specified in § 26-64-103, which consist of the wholesale sales taxes on motor fuel and distillate special fuel;

(9) The special revenues specified in § 27-14-614, which consist of the additional registration fees on electric vehicles and hybrid vehicles; and

(10) Any federal funds that may become available.

(c) The Arkansas Department of Transportation Fund shall be used for the maintenance, operation, and improvement required by the Arkansas

Department of Transportation in carrying out the functions, powers, and duties as set out in Arkansas Constitution, Amendment 42, and §§ 27-65-102 — 27-65-107, 27-65-110, 27-65-122, and 27-65-124, and the other laws of this state prescribing the powers and duties of the department and the State Highway Commission.

19-43-205. Arkansas Public Service 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 Public Service Commission Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(70), (71), and (98).

(c) The fund shall be used for the maintenance, operation, and improvement required by the Arkansas Public Service Commission in carrying out the functions, powers, and duties as set out in § 23-2-101 et seq., or other duties imposed by law upon the commission.

19-43-206. Liquefied Petroleum Gas 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 "Liquefied Petroleum Gas Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(32).

(c) The fund shall be used for the maintenance, operation, and improvement required by the Liquefied Petroleum Gas Board in carrying out the functions, powers, and duties as set out in the Liquefied Petroleum Gas Board Act, § 15-75-101 et seq., or other duties imposed by law upon the board.

19-43-207. State Plant Board 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 "State Plant Board Fund".

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(46), (49)-(55), (122), (169), (221), and (225);

(2) Thirty-one cents (31¢) of the fertilizer inspection fees as

set out in § 19-42-201(48);

(3) All of those special revenues in § 19-42-201(47) with the exception of ten cents (10¢) of the thirty cents (30¢) for tonnage reports;

(4) Nonrevenue receipts from the Fire Ant Poison Cost Sharing Program, § 2-16-105;

(5) Fees and civil penalties collected under the Arkansas Rice Certification Act, § 2-15-201 et seq.;

(6) Civil penalties collected under the Uniform Weights and Measures Law, § 4-18-301 et seq.; and

(7) Those general revenues as may be provided by law.

(c) The fund shall be used for the maintenance, operation, and improvement required by the State Plant Board in carrying out the functions, powers, and duties as set out in the Arkansas Plant Act of 1917, § 2-16-201 et seq.

19-43-208. Poultry and Egg Grading 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 “Poultry and Egg Grading Fund”.

(b) The fund shall consist of that portion of those special revenues derived from the poultry and egg industry as specified in § 19-42-201(34).

(c) The fund shall be used for the maintenance, operation, and improvement required by the Arkansas Livestock and Poultry Commission poultry and egg grading programs, in carrying out the functions, powers, and duties as set out in § 2-33-101 et seq., or other duties imposed by law upon the commission.

19-43-209. Oil and Gas 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 “Oil and Gas Commission Fund”.

(b) The fund shall consist of those special revenues as specified in § 19-42-201(62), (111), and (275) and § 14-1-606.

(c) The fund shall be used for:

(1) The maintenance, operation, and improvement required by the Oil and Gas Commission in carrying out the functions, powers, and duties as

set out in § 15-72-101 et seq., § 23-119-101 et seq., and other applicable law;

(2) Payment of expenses of the Office of the State Geologist under § 15-71-107(b)(2)(B); or

(3) Other duties imposed by law upon the commission.

19-43-210. State Forestry 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 "State Forestry Fund".

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(6) and (18) excluding twenty-five percent (25%) of all other severance taxes as set out in § 19-42-201(18);

(2) Fifty percent (50%) of the special revenues set out in § 19-42-201(26); and

(3) Such general revenues as may be provided by law.

(c) The fund shall be used for the maintenance, operation, and improvement required by the Arkansas Forestry Commission in carrying out the functions, powers, and duties as set out in § 15-31-101 et seq., or other duties imposed by law upon the commission.

19-43-211. State Bank Department 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 "State Bank Department Fund".

(b) The fund shall consist of those special revenues as set out in § 19-42-201(28)-(30).

(c) The fund shall be used for the maintenance, operation, and improvement required by the State Bank Department in carrying out the functions, powers, and duties as set out in §§ 23-46-201 — 23-46-207, or other duties imposed by law upon the department.

19-43-212. State Board of Appraisers, Abstracters, and Home Inspectors 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 "State Board of Appraisers, Abstracters, and Home Inspectors Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(93).

(c) The fund shall be used for the maintenance, operation, and improvement of the State Board of Appraisers, Abstracters, and Home Inspectors.

19-43-213. Department of Health Plumbers Licensing 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 "Department of Health Plumbers Licensing Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(64).

(c) The fund shall be used for the maintenance, operation, and improvement required by the Plumbing Section of the Environmental Health Services Division of the Department of Health in carrying out the powers, functions, and duties as set out in § 17-38-101 et seq., and for paying the expenses of administering such funds as may be authorized by law.

19-43-214. Office of Hazardous Materials Emergency Management 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 special revenue fund to be known as the "Office of Hazardous Materials Emergency Management Revolving Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(115).

(c) The fund shall be used for:

(1) The operations of the State Office of Hazardous Materials Emergency Management; and

(2) The enforcement of the Arkansas HAZMAT Emergency Management Act, § 12-84-101 et seq.

19-43-215. Soybean Promotion 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 "Soybean Promotion Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(12).

(c) The fund shall be used for the maintenance, operation, and improvement as required by the Arkansas Soybean Promotion Board in carrying out the powers, functions, and duties as set out in § 2-20-401 et seq.

19-43-216. Game Protection 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 "Game Protection Fund".

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(63);

(2) Thirty-four percent (34%) of those special revenues as specified in § 19-42-201(20);

(3) License plate design-use contribution fees collected under § 27-24-905(b)(2); and

(4) Any other revenue authorized by law.

(c) The fund shall be used for the maintenance, operation, and improvement required by the Arkansas State Game and Fish Commission in carrying out the functions, powers, and duties as set out in Arkansas Constitution, Amendment 35, and other laws enacted by the General Assembly.

19-43-217. Indigent Patient's 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 "Indigent Patient's Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(15).

(c) The fund shall be used:

(1) To defray the cost of hospitalization and medical services provided to indigent Arkansas patients; and

(2) For such other purposes as may be authorized or appropriated by law.

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

Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Arkansas Museum of Natural Resources Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(61) and (101).

(c) The fund shall be used for the construction, maintenance, operation, and improvement of the Arkansas Museum of Natural Resources in exercising the powers, functions, and duties as set out in § 13-5-401 et seq., and for paying the expenses of administering such funds by the Department of Parks, Heritage, and Tourism as may be authorized by law.

19-43-222. Manufactured Home Standards 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 "Manufactured Home Standards Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(102).

(c) The fund shall be used for the maintenance, operation, and improvement of the Arkansas Manufactured Home Commission in exercising the powers, functions, and duties as set out in the Arkansas Manufactured Homes Standards Act, § 20-25-101 et seq.

19-43-223. Arkansas Veterinary Medical Practice 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 Veterinary Medical Practice Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(95).

(c) The fund shall be used:

(1) For the operation, maintenance, and improvement of the Arkansas Livestock and Poultry Commission in exercising the powers, functions, and duties as set out in the Arkansas Veterinary Medical Practice Act, § 17-101-101 et seq.; and

(2) To fund:

(A) The Agri Scholarship Program created under § 25-38-212 and administered by the Department of Agriculture, with deposits to the Agri Scholarship Program Fund in the amount of up to thirty thousand dollars

($30,000) per year; and

(B) The Rural Veterinary Student Scholarship Program, § 17-101-205.

19-43-224. Community Correction 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 special revenue fund to be known as the “Community Correction Revolving Fund”.

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(31); and

(2) Fees and sanctions levied by the courts or authorized by the Board of Corrections for participation in specified programs to be paid by offenders on community correction.

(c) The fund shall be used for continuation and expansion of community correction programs as established and approved by the board and as may be provided by law.

19-43-225. Livestock and Poultry Equine Infectious Anemia Control 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 “Livestock and Poultry Equine Infectious Anemia Control Fund”.

(b) The fund shall consist of those special revenues as specified in § 19-42-201(195).

(c) The fund shall be used for the purpose of defraying the costs of services performed in the Equine Infectious Anemia Control and Eradication Program as provided in § 2-40-801 et seq.

19-43-226. Hazardous Waste Permit 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 “Hazardous Waste Permit Fund”.

(b) The fund shall consist of those special revenues as specified in § 19-42-201(59) and (237).

(c) The fund shall be used by the Division of Environmental Quality to

ensure the proper administration and enforcement of §§ 8-7-201 — 8-7-226 and the Phase I Environmental Site Assessment Consultant Act, § 8-7-1301 et seq.

19-43-227. Arkansas Nuclear Planning and Response 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 Nuclear Planning and Response Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(60).

(c) The fund shall be used for the operation and maintenance of the Nuclear Planning and Response Program, as provided in § 20-21-401 et seq.

19-43-228. Milk Inspection Fees 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 "Milk Inspection Fees Fund".

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(73); and

(2) Any other revenues as may be provided by law.

(c) The fund shall be used exclusively for the purpose of defraying the cost of maintenance, operation, and improvement of the Grade "A" milk and milk products inspection program.

19-43-229. Arkansas Board of Dispensing Opticians' 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 Board of Dispensing Opticians' Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(108).

(c) The fund shall be used for the administration, coordination, and enforcement of the Ophthalmic Dispensing Act, § 17-89-101 et seq.

19-43-230. Arkansas State Board of Nursing 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 State Board of Nursing Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(109).

(c) The fund shall be used by the Arkansas State Board of Nursing in exercising the powers, functions, and duties as provided in § 17-87-101 et seq.

19-43-231. Social Work Licensing 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 "Social Work Licensing Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(110).

(c) The fund shall be used by the Arkansas Social Work Licensing Board in exercising the powers, functions, and duties as set out in the Social Work Licensing Act, § 17-103-101 et seq.

19-43-232. Arkansas Beef Council 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 Beef Council Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(113).

(c) The fund shall be used in such manner as the Arkansas Beef Council deems appropriate for Arkansas beef promotion and research and for the operation and maintenance of the council office and payment of expenses of the council members as set out in § 2-35-301 et seq.

19-43-233. County and Circuit Clerks Continuing 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 special revenue fund to be known as the "County and Circuit Clerks Continuing Education Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(119).

(c) The fund shall be used for defraying the expenses of training seminars and other educational projects benefiting county and circuit clerks

in this state as set out in §§ 16-20-105 and 16-20-110 and § 26-60-101 et seq.

19-43-234. Arkansas Child Passenger Protection 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 Child Passenger Protection Fund".

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(67); and

(2) Other moneys that may be appropriated, allocated, or donated to the fund.

(c) The fund shall be used by the Arkansas Highway Safety Program for the purchase of child passenger safety seats as provided in the Child Passenger Protection Act, § 27-34-101 et seq.

19-43-235. Arkansas Wine Producers Council 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 Wine Producers Council Fund".

(b) The fund shall consist of all funds as may be authorized by law.

(c) The fund shall be used for promoting the Arkansas native wine industry, as directed by the Arkansas Wine Producers Council and as provided in § 3-5-701 et seq.

19-43-236. Arkansas Corn and Grain Sorghum Promotion Board 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 Corn and Grain Sorghum Promotion Board Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(196).

(c) The fund shall be used for administration, research, and extension to promote the corn and grain sorghum industry, as provided in § 2-20-801 et seq.

19-43-237. DNA Detection 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 "DNA Detection Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(197).

(c) The fund shall be used for the administration of the State Convicted Offender DNA Data Base Act, § 12-12-1101 et seq.

19-43-238. Arkansas Livestock and Poultry Commission Disease and Pest Control 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 Livestock and Poultry Commission Disease and Pest Control Fund".

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(126); and

(2) Any funds authorized by law.

(c) The fund shall be used in order to fund or partially fund the bovine disease control and eradication program as provided in § 2-40-206.

19-43-239. Arkansas Wheat Promotion 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 Wheat Promotion Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(127),

(c) The fund shall be used for the operation of the Arkansas Wheat Promotion Board as provided in §§ 2-20-601 — 2-20-609.

19-43-240. Individual Sewage Disposal Systems Improvement 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 "Individual Sewage Disposal Systems Improvement Fund".

(b) The fund shall consist of that portion of those special revenues

as specified in § 19-42-201(58).

(c) The fund shall be used by the Division of Environmental Health Protection of the Department of Health for, and in the manner recommended by, the Individual Sewage Disposal Systems Advisory Committee for implementation of the utilization and application of alternate and experimental individual sewage disposal systems as provided in the Arkansas Sewage Disposal Systems Act, § 14-236-101 et seq.

19-43-241. Arkansas Rice Research and Promotion Board 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 Rice Research and Promotion Board Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(35).

(c) The fund shall be used for the operation of the Arkansas Rice Research and Promotion Board as provided in the Arkansas Rice Research and Promotion Act of 1999, § 2-20-501 et seq.

19-43-242. Asbestos Control 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 "Asbestos Control Fund".

(b) The fund shall consist of the special revenues specified in § 19-42-201(130) and any other revenues authorized by law.

(c) The fund shall be used to administer and enforce a program for licensing contractors engaged in the removal of friable asbestos materials from facilities by the Division of Environmental Quality under §§ 20-27-1001 – 20-27-1007.

19-43-243. Boating Safety Account 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 "Boating Safety Account Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(20).

(c) The fund shall be distributed in the manner and to the various

funds as provided in § 27-101-111.

19-43-244. Firemen's and Police Officers' Pension and Relief 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 "Firemen's and Police Officers' Pension and Relief Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(27).

(c) The fund shall be used for distribution to the various qualified city, town, or fire protection district police officers' pension and relief funds and firemen's pension funds as provided in § 24-11-301.

19-43-245. Sex Offenders Registration 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 "Sex Offenders Registration Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(198).

(c) The fund shall be used for the administration of the Sex Offender Registration Act of 1997, § 12-12-901 et seq.

19-43-246. Nursing Home Personnel Training 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 "Nursing Home Personnel Training Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(138).

(c) The fund shall be used by the Office of Long-Term Care of the Division of Medical Services of the Department of Human Services for development and implementation of training programs as provided in § 20-10-401 et seq.

19-43-247. Developmental Disabilities Services — Dog Track Special Revenue 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 "Developmental Disabilities Services – Dog Track Special Revenue Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(16).

(c) The fund shall be used for the sole benefit of community programs of the Division of Developmental Disabilities Services of the Department of Human Services that are licensed by the division.

19-43-248. Commercial Driver License 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 "Commercial Driver License Fund".

(b) The fund shall consist of those special revenues as specified in:

(1) Section 19-42-201(148), to be used to establish and maintain the Arkansas Commercial Driver License Program and for other related purposes as required by the Secretary of the Department of Finance and Administration in carrying out the functions, powers, and duties of the Revenue Division of the Department of Finance and Administration, as set out in the Arkansas Uniform Commercial Driver License Act, § 27-23-101 et seq.;

(2) Section 19-42-201(255), to be used for system enhancements to the Arkansas Motor Carrier System and for other related purposes as required by the secretary in carrying out the functions, powers, and duties of the division; and

(3) Section 19-42-201(266) and (267) and § 19-42-201(269).

19-43-249. Crime Lab Equipment 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 "Crime Lab Equipment Fund".

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(30); and

(2) Other moneys as authorized by law.

(c) The fund shall be used only for the purchase of equipment, constructing and equipping regional crime laboratories, and for the personal services and operating expenses of regional crime laboratories as provided in

§ 12-12-323.

19-43-250. Private Career 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 special revenue fund to be known as the “Private Career Education Fund”.

(b) The fund shall consist of those special revenues as specified in § 19-42-201(24).

(c) The fund shall be used for the maintenance and operations of the Division of Higher Education concerning the State Board of Private Career Education in carrying out the functions, powers, and duties as set out in § 6-51-601 et seq.

19-43-251. Regulated Substance Storage Tank 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 special revenue fund to be known as the “Regulated Substance Storage Tank Program Fund”.

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(153);

(2) Federal funds; and

(3) Any state matching funds as may be provided by the General Assembly.

(c) The fund shall be used for the administration of the regulated substance storage tank program as provided in § 8-7-801 et seq.

19-43-252. Arkansas Catfish Promotion 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 Catfish Promotion Fund”.

(b) The fund shall consist of those special revenues as specified in § 19-42-201(151).

(c) The fund shall be used for Arkansas catfish promotion and research and for the operation and maintenance of the Arkansas Catfish Promotion Board office and payment of board member expenses, as provided in § 2-9-112.

19-43-253. Child Care 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 "Child Care Fund".

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(133) and (157); and

(2) Moneys received from the Department of Human Services.

(c) The fund shall be used by the Division of Child Care and Early Childhood Education of the Department of Human Services exclusively to provide grants to child care facilities for enhancement of the facility or for training of personnel in child care facilities and to meet the costs of conducting the statewide criminal records checks required under § 20-78-606, all as provided in the Childcare Facility Licensing Act, § 20-78-201 et seq.

19-43-254. Arkansas Livestock and Poultry Commission Swine Testing 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 Livestock and Poultry Commission Swine Testing Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(159).

(c) The fund shall be used for the pseudorabies control and eradication program as provided in § 2-40-1201.

19-43-255. Work Force 2000 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 "Work Force 2000 Development Fund".

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(163); and

(2) All other revenues as may be authorized by law.

(c) The fund shall be used exclusively for the authorized educational activities of those entities as set out in § 26-51-205(d)(1)(A) and (B) and as distributed under § 26-51-205(d)(2).

19-43-256. Fire Protection Premium Tax 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 “Fire Protection Premium Tax Fund”.

(b) The Fire Protection Premium Tax Fund shall consist of those special revenues as specified in § 19-42-201(164).

(c) The Fire Protection Premium Tax Fund shall be used for fire protection services as provided in § 26-57-614 and § 14-284-401 et seq.

(d)(1) The Insurance Commissioner shall immediately deposit all moneys collected under § 26-57-614 and § 14-284-401 et seq. into the Revenue Holding Fund Account as provided in § 19-21-104.

(2) On the last business day of each quarter, the Chief Fiscal Officer of the State shall determine the amount of net special revenues to be transferred to the Fire Protection Premium Tax Fund by the Treasurer of State.

(3) By the last business day of the quarter after July 1, 2023, and by the last business day of each following quarter, the Chief Fiscal Officer of the State shall:

(A) Determine the amount of collections deposited into the Fire Protection Premium Tax Fund during the current quarter and the amount of collections deposited into the Fire Protection Premium Tax Fund during the same quarter of the immediately preceding year;

(B) Certify the amount by which the collections deposited into the Fire Protection Premium Tax Fund for the current quarter exceed the amount of collections deposited into the Fire Protection Premium Tax Fund during the same quarter of the immediately preceding year; and

(C) Transfer fifty percent (50%) of the amount certified under subdivision (d)(3)(B) of this section to the Fire Services Fund.

(4) The Chief Fiscal Officer of the State shall be the disbursing officer for the Fire Protection Premium Tax Fund, and shall distribute the moneys as provided in § 26-57-614 and § 14-284-401 et seq.

(e)(1) The commissioner shall disburse any refunds that may be due insurance carriers from the Miscellaneous Revolving Fund after certifying to the Chief Fiscal Officer of the State the amount to be refunded.

(2) The Chief Fiscal Officer of the State shall direct that the amount certified under subdivision (e)(1) of this section be transferred from

the Revenue Holding Fund Account to the Miscellaneous Revolving Fund as provided in § 19-20-106(a)(3).

(f) Beginning January 1, 2024, any funds that remain unclaimed in the Fire Protection Premium Tax Fund for over two (2) of the immediately prior calendar years shall be transferred to a cash fund and deposited into the State Treasury as determined by the Chief Fiscal Officer of the State to be used exclusively by the Arkansas Fire Protection Services Board for Fire Protection Services grants.

19-43-257. HVACR Licensing 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 “HVACR Licensing Fund”.

(b) The fund shall consist of those special revenues as specified in § 19-42-201(160).

(c) The fund shall be used for the maintenance, operation, and improvement of the Heating, Ventilation, Air Conditioning, and Refrigeration (HVACR) Licensing and Inspection program of the Department of Health as provided in § 17-33-201 et seq.

19-43-258. Marketing Recyclables 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 special revenue fund to be known as the “Marketing Recyclables Program Fund”.

(b) The fund shall consist of those special revenues as specified in § 19-42-201(162).

(c) The fund shall be used by the Compliance Advisory Panel for the Marketing Recyclables Program of the Compliance Advisory Panel for the administration and performance of its duties, as administered by the Division of Environmental Quality under § 8-9-201 et seq.

19-43-259. Elder Person and Person with a Disability Victims 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 “Elder Person and Person with a Disability Victims Fund”.

(b) The fund shall consist of those special revenues as specified in § 19-42-201(170).

(c) The fund shall be used for the investigation and prosecution of deceptive acts against elder persons and individuals with disabilities and for consumer education initiatives directed toward elder persons and individuals with disabilities, law enforcement officers, the judicial system, social services professionals, and the general public on the provisions of the Deceptive Trade Practices Act, § 4-88-101 et seq., and related statutes.

19-43-260. State Police Equipment 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 "State Police Equipment Fund".

(b) The fund shall consist of:

(1) Fifty percent (50%) of those special revenues as specified in § 19-42-201(176) and (235); and

(2) Thirty-eight percent (38%) of the fees collected under § 12-12-1510(c).

(c) The fund shall be used for:

(1) The acquisition, operation, and expansion of an automated fingerprint identification system;

(2) Personal services and operating expenses for conducting criminal background checks for noncriminal justice purposes;

(3) Those purposes as set out in § 12-12-1012(b) and § 12-12-1609; and

(4) Personal services and operating expenses as provided by law.

(d) Moneys remaining in the fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

19-43-261. State Securities Department 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 "State Securities Department Fund".

(b) The fund shall consist of:

(1) The first two million five hundred thousand dollars

($2,500,000) of those special revenues as specified in § 19-42-201(173), (174), (245), and (259); and

(2) Such other funds as may be provided by law or regulatory action.

(c) The fund shall be used for maintenance, operation, support, and improvement of the State Securities Department in carrying out its functions, powers, and duties as set out by law and by rules not inconsistent with law, as set out in § 23-42-211.

19-43-262. Governor's Commission on People with Disabilities 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 "Governor's Commission on People with Disabilities Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(200).

(c) The fund shall be used to fund activities of the Governor's Commission on People with Disabilities, as set out in § 27-15-305.

19-43-263. Economic Development 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 special revenue fund to be known as the "Economic Development Incentive Fund".

(b) The fund shall consist of those special revenues as specified in § 19-42-201(181).

(c) The fund shall be used for financial incentive plans to provide businesses with an incentive to locate a new facility or expand an existing facility in Arkansas and for the other purposes as set out in the Arkansas Economic Development Incentive Act of 1993, § 15-4-1601 et seq.

19-43-264. Livestock and Poultry Special Revenue 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 "Livestock and Poultry Special Revenue Fund".

(b) The Livestock and Poultry Special Revenue Fund shall consist of those special revenues as specified in § 19-42-201(33) and (34) and §§ 2-5-

204, 2-5-206, and 2-6-106 that are not required for support of the Arkansas Livestock and Poultry Commission Poultry and Egg Grading Program.

(c) The Livestock and Poultry Special Revenue Fund shall be used for those purposes as set out by law.

(d) The Director of the Arkansas Livestock and Poultry Commission, with the approval of the Chief Fiscal Officer of the State, may transfer funds from the Livestock and Poultry Special Revenue Fund to the Livestock and Poultry Fund Account.

19-43-265. Telecommunications Equipment 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 “Telecommunications Equipment Fund”.

(b) The fund shall consist of those special revenues as specified in § 19-42-201(129).

(c) The fund shall be used exclusively by Arkansas Rehabilitation Services to fund an equipment distribution program for persons certified as deaf, hard of hearing, deaf and blind, or speech-impaired as otherwise provided in § 20-79-401 et seq.

19-43-266. Conservation Tax 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 “Conservation Tax Fund”.

(b) The Conservation Tax Fund shall consist of those special revenues as specified in § 19-42-201(193), there to be distributed to the fund accounts as set out below, which are created by this section unless specifically created in other provisions of the Arkansas Code, and under the following procedures:

(1) The Revenue Division of the Department of Finance and Administration shall deposit the funds collected under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., for gross receipts taxes and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., for compensating taxes into the State Treasury, there to be credited to the Revenue Holding Fund Account;

(2)(A) On the last day of each month, the Chief Fiscal Officer

of the State shall certify to the Treasurer of State the estimated amount of gross receipts and compensating tax collections in the Revenue Holding Fund Account that are a result of the changes by the passage of Arkansas Constitution, Amendment 75.

(B) The Treasurer of State shall then transfer the amount so certified to the Special Revenue Fund Account as part of the gross special revenues.

(C) After the deductions as set out in § 19-21-103 have been made, the remaining amount shall be credited to the Conservation Tax Fund.

(D) The remaining gross receipts and compensating tax collections remaining in the Revenue Holding Fund Account shall be credited to the General Revenue Fund Account, there to be distributed with the other gross general revenue collections for that month in accordance with the provisions of § 19-21-101 et seq.; and

(3) The Treasurer of State shall then make the following transfers from the Conservation Tax Fund to the fund accounts set out below at the end of each month:

(A) Forty-five percent (45%) to the Game Protection Fund to be used exclusively by the Arkansas State Game and Fish Commission as appropriated by the General Assembly;

(B) Forty-five percent (45%) to the Department of Parks, Heritage, and Tourism Fund Account to be used by the Department of Parks, Heritage, and Tourism for state park purposes as appropriated by the General Assembly;

(C) Nine percent (9%) to the Arkansas Division of Heritage Special Fund Account to be used exclusively by the Division of Arkansas Heritage as appropriated by the General Assembly; and

(D)(i) One percent (1%) to the Keep Arkansas Beautiful Fund Account to be used exclusively by the Keep Arkansas Beautiful Commission as appropriated by the General Assembly.

(ii) The Keep Arkansas Beautiful Fund Account also shall consist of the special revenues as specified in § 19-42-201(203).

19-43-267. Department of Health Technology 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 “Department of Health Technology Fund”.

(b) The fund shall consist of:

(1) Three dollars ($3.00) of the five-dollar fee levied by § 20-7-123(b)(1)(F);

(2) The four-dollar fee levied by § 20-7-123(b)(1)(G)(i);

(3) The one-dollar fee levied by § 20-7-123(b)(1)(G)(ii); and

(4) Three dollars ($3.00) of the five-dollar fee levied by § 20-7-123(b)(1)(H)(i)(a).

(c) The fund shall be used exclusively by the Department of Health for the purchase of computer hardware and software, the conversion cost of scanning data into its computer system, and related activities.

19-43-268. Catastrophic Reserve 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 “Catastrophic Reserve Fund”.

(b) The Catastrophic Reserve Fund shall consist of such funds as may be provided by the General Assembly.

(c) The Catastrophic Reserve Fund shall be used to distribute moneys to one (1) or more funds or fund accounts in the Revenue Stabilization Law, § 19-20-101 et seq.

(d)(1) After determining the estimated amount of general revenue that will be available for allocation to the state agencies under the Revenue Stabilization Law, § 19-20-101 et seq., and after making the determination required by § 19-27-283(c) and prior to making any transfers deemed necessary by the Chief Fiscal Officer of the State in § 19-27-283(d), the Chief Fiscal Officer of the State may transfer funds from the Catastrophic Reserve Fund in the event a revenue shortfall exists to meet the state’s financial obligation to provide an adequate educational system for the state and to provide for the effective operation of state government. In the event the Chief Fiscal Officer of the State determines that a revenue shortfall exists as defined as a circumstance when the official forecast of gross general revenue certified by the Chief Fiscal Officer of the State is projected to increase less than three percent (3%) over and above the gross general revenue collections of the previous fiscal year due to changes in economic conditions, the Chief

Fiscal Officer of the State may then transfer funds from the Catastrophic Reserve Fund, as approved by a vote of at least two-thirds (⅔) of the members of the Legislative Council or at least two-thirds (⅔) of the members of the Joint Budget Committee, to various funds and fund accounts, as deemed necessary, in the Revenue Stabilization Law, § 19-20-101 et seq., for the purpose of meeting unanticipated shortfalls in state general revenue.

(2) Or the Chief Fiscal Officer of the State may transfer funds from the Catastrophic Reserve Fund to the Economic Development Superprojects Project Fund for projects authorized under Arkansas Constitution, Amendment 82, as approved by the Governor and at least two-thirds (⅔) of the members of the Legislative Council or at least two-thirds (⅔) of the members of the Joint Budget Committee.

(3)(A) The Chief Fiscal Officer of the State may make a one-time transfer of up to fifty million dollars ($50,000,000) from the Catastrophic Reserve Fund or its successor fund or fund accounts to the General Revenue Allotment Reserve Fund before March 31, 2022.

(B) A transfer under subdivision (d)(3)(A) of this section is not subject to the procedures established in subsection (e) of this section.

(e)(1) Upon recommendation by the Chief Fiscal Officer of the State, the Governor may determine that circumstances exist that meet the requirements for the utilization of the Catastrophic Reserve Fund as set out in this section, and the procedures under this section shall apply.

(2) When the Governor determines there is a need requiring transfer from the Catastrophic Reserve Fund, he or she shall instruct the Chief Fiscal Officer of the State to prepare and submit written documentation to the Legislative Council or the Joint Budget Committee. Such documentation shall include:

(A) Sufficient financial data that will enable the verification of the existence of an emergency and the amount necessary to address the need for funds from the Catastrophic Reserve Fund;

(B) A proposed distribution of moneys from the Catastrophic Reserve Fund to one (1) or more funds or fund accounts in the Revenue Stabilization Law, § 19-20-101 et seq., or to the Economic Development Superprojects Project Fund, or both; and

(C) A statement certifying that no other funds are

available that could be transferred in lieu of the funds in the Catastrophic Reserve Fund.

(3) Documentation under subdivision (e)(2) of this section shall be submitted to the Legislative Council or Joint Budget Committee for approval before the implementation of the proposed distribution.

(4)(A) The Chief Fiscal Officer of the State, after having sought and received prior approval of at least two-thirds (⅔) of the members of the Legislative Council or at least two-thirds (⅔) of the members of the Joint Budget Committee, shall cause the required transfers to be made on his or her books and on the books of the Treasurer of State and the Auditor of State from the Catastrophic Reserve Fund to the appropriate funds and fund accounts in the Revenue Stabilization Law, § 19-20-101 et seq., or to the Economic Development Superprojects Project Fund, or both.

(B) In no event shall the amounts transferred in any fiscal year to the funds and fund accounts in the Revenue Stabilization Law, § 19-20-101 et seq., by this section cause the general revenues to exceed the maximum allocations authorized in the Revenue Stabilization Law, § 19-20-101 et seq.

(f) Determining the maximum amount of appropriation and general revenue funding for a state agency each fiscal year is the prerogative of the General Assembly. This is usually accomplished by delineating such maximums in the appropriation acts for a state agency and the general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization Law, § 19-20-101 et seq. Further, the General Assembly has determined that creating the Catastrophic Reserve Fund and establishing the procedures for the transfer of funds to various funds and fund accounts in the Revenue Stabilization Law, § 19-20-101 et seq., or to the Economic Development Superprojects Project Fund, or both, provides for the efficient and effective operation of state government if a revenue shortfall is determined to exist. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or Joint Budget Committee as provided by this section. The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement of approval by the Legislative Council or Joint Budget Committee is ruled unconstitutional by a court of competent jurisdiction, this entire section is

void.

19-43-269. One Percent to Prevent 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 “One Percent to Prevent Fund”.

(b)(1) The fund shall consist of any other revenues as may be authorized by law.

(2) The fund also shall consist of any federal funds or private foundation grants.

(c) The fund shall be exclusively used by the Department of Human Services to prevent the children of prisoners from becoming future prisoners.

19-43-270. Specialty Court 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 special revenue fund to be known as the “Specialty Court Program Fund”.

(b) The fund shall consist of the specialty court program user fees under § 16-10-701 and any other moneys provided by law.

(c) The fund shall be used exclusively for:

(1) Treatment services provided by the Division of Community Correction as defined by and distributed under § 16-98-305(1)(E);

(2) Treatment services provided by the Department of Human Services as defined by and distributed under § 16-98-305(2)(C);

(3) The cost of the evaluation of specialty court programs by the Specialty Court Program Advisory Committee as required under § 16-10-139; and

(4) Drug and mental health crisis intervention centers.

19-43-271. Marine Sanitation 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 “Marine Sanitation Fund”.

(b) The Marine Sanitation Fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(178);

(2) Twenty-four percent (24%) of those special revenues as

specified in § 19-42-201(20);

(3) Any unexpended balances of fees and fines for the use of the Marine Sanitation Program remaining in the Public Health Fund on June 30, 2003; and

(4) Any other revenues as may be authorized by law.

(c) The Marine Sanitation Fund shall be used by the Department of Health as provided in § 27-101-401 et seq.

19-43-272. Domestic Peace 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 "Domestic Peace Fund".

(b)(1) The moneys collected under § 16-20-407, as designated under § 16-20-407(b)(2), and § 16-10-305(g) shall be deposited into the State Treasury to the credit of the fund as special revenue.

(2) The fund also shall consist of:

(A) That portion of special revenues specified in § 19-42-201(172)(B);

(B) Moneys obtained from private grants or other sources that are designated to be credited to the fund;

(C) Moneys collected under § 17-19-301(d)(1)(F)(ii); and

(D) Other revenues as may be authorized by law.

(c) The fund shall be used by the Arkansas Child Abuse/Rape/Domestic Violence Commission as provided under the Arkansas Domestic Peace Act, § 9-4-101 et seq.

19-43-273. Public School 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 "Public School Facilities Fund".

(b)(1) All moneys collected under Acts 2003 (2nd Ex. Sess.), No. 70, shall be deposited as follows:

(A) If designated in § 19-41-201 as general revenues, the moneys shall be deposited into the State Treasury to the credit of the fund as special revenues; and

(B) If designated in § 19-42-201 as special revenues, the

moneys shall be deposited into the State Treasury as special revenues to be distributed as provided by law.

(2) The distribution of municipal and county taxes collected under the tax amnesty program created by Acts 2003 (2nd Ex. Sess.), No. 70, is not affected by this section.

(3) The fund also shall consist of any other revenues as may be authorized by law.

(c) The fund shall be used for improvements, construction, or repair of public school facilities.

19-43-274. Shared Benefit Payment 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 “Shared Benefit Payment Fund”.

(b)(1) All moneys collected under § 19-60-107 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 state agencies to pay vendors for contracts entered into under § 19-60-107.

(d) The fund shall consist of the amount of taxes or fees collected for the relevant time period less the baseline amount stated in each technology purchase contract entered into pursuant to § 19-60-107, which difference is attributable to the implementation and use of the technology systems as provided in the contract and approved under the provisions of § 19-60-107(c).

(e) As soon as practical after the close of each month, each agency purchasing official who has a technology purchase contract shall determine the difference between the amount of taxes or fees collected and the contract baseline amount and report these findings to the Chief Fiscal Officer of the State.

(f) The Chief Fiscal Officer of the State shall certify to the Treasurer of State the following:

(1) The amounts determined in subsection (e) of this section for transfer to the fund; and

(2) That portion of the amount determined in subsection (e) of

this section which is currently required to be paid to each technology contract vendor.

(g) The Treasurer of State shall make the transfer of the amount determined in subdivision (f)(1) of this section, after making the deduction required from the net special revenues as set out in § 19-21-103(b)(2)(A).

19-43-275. Investor 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 special revenue fund to be known as the "Investor Education Fund".

(b) The Investor Education Fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(213); and

(2) An initial transfer of one hundred thousand dollars ($100,000) from the State Securities Department Fund.

(c) The Investor Education Fund shall be used to inform and educate the public regarding investments in securities and to pay for costs and expenses associated with conducting a stock market game for educational purposes in the state's public school system, as provided in § 23-42-213.

19-43-276. Fallen Firefighters' Memorial 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 "Fallen Firefighters' Memorial Fund".

(b)(1) All moneys collected under § 27-24-1303(c)(2)(C) 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)(1) The moneys deposited into the fund shall be used by the Secretary of State to satisfy the fee requirements for placement, improvements to, or replacement of the monument or memorial area under § 19-26-302(c).

(2) All maintenance and costs shall be approved by the Arkansas Fallen Firefighters' Memorial Board and the Capitol Arts and Grounds Commission.

19-43-277. Arkansas Citizens First Responder Safety Enhancement 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 fund to be known as the "Arkansas Citizens First Responder Safety Enhancement Fund".

(b) The fund shall consist of:

(1) Eighty percent (80%) of the fines collected under § 27-22-111(a); and

(2) The fines collected under § 27-22-103(c)(1).

(c) The fund shall be used as appropriated by the General Assembly as follows:

(1) Fifty percent (50%) of the fund shall be used for emergency medical services; and

(2) Fifty percent (50%) of the fund shall be used for local law enforcement.

19-43-278. Public Legal Aid 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 "Public Legal Aid Fund".

(b) The fund shall consist of such revenues as may be authorized by law.

(c) The fund shall be used for providing financial support for public legal aid organizations and distributed as follows:

(1) Forty-five percent (45%) of the fund shall be paid to Legal Aid of Arkansas; and

(2) Fifty-five percent (55%) of the fund shall be paid to the Center for Arkansas Legal Services.

19-43-279. Spyware Monitoring 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 "Spyware Monitoring Fund".

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(228); and

(2) Any other revenues as may be authorized by law.

(c) The fund shall be used by the Attorney General to offset his or

her salary and administrative expenses directly related to the enforcement of the Consumer Protection Against Computer Spyware Act, § 4-111-101 et seq., and administration of the website required by the Consumer Protection Against Computer Spyware Act, § 4-111-101 et seq.

19-43-280. Abandoned and Orphaned Well Plugging 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 "Abandoned and Orphaned Well Plugging Fund".

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(230);

(2) Proceeds from the transfer of a well, well-site equipment, or hydrocarbons from the well as established by § 15-72-217(b)(2);

(3) Grants;

(4) Gifts; and

(5) Any other revenues as may be authorized by law.

(c) The fund shall be used by the Oil and Gas Commission to provide security if an oil well operator or a gas well operator, or both, fails to perform plugging responsibilities under § 15-72-217 or fails to correct well conditions that create an imminent danger to the health or safety of the public, or threaten significant environmental harm or damage to property.

19-43-281. In God We Trust License Plate 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 "In God We Trust License Plate Fund".

(b) The fund shall consist of:

(1) Those special revenues as specified in § 19-42-201(223); and

(2) Any other revenues as may be authorized by law.

(c) The fund shall be used by the Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services to provide quarterly cash grants to each senior citizen center in a similar method as is used in the state's current system for distributing United States Department of Agriculture money to the senior citizen centers to purchase raw food, and for purchasing food for use in a home-delivered meal program, as set out in § 27-15-4904.

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;

(2) Any moneys appropriated to it by the General Assembly; and

(3) Any gifts, contributions, grants, or bequests received from federal, private, or other sources.

(c) The fund shall be used by the division to develop criteria to establish and fund the development and maintenance of wildlife recreation facilities.

19-43-285. Cigarette Fire Safety Standard 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 "Cigarette Fire Safety Standard Fund".

(b) The fund shall consist of:

(1) All certification fees paid under § 20-27-2105;

(2) All moneys recovered as civil penalties under § 20-27-2107; and

(3) Any other revenues as may be authorized by law.

(c) The fund shall be used by the Director of Arkansas Tobacco Control to support fire safety and prevention programs.

19-43-286. Military Funeral Honors 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 "Military Funeral Honors Fund".

(b)(1) All moneys collected under § 27-24-209(d)(7) 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 authorized by law.

(c) The fund shall be used by the Department of Veterans Affairs to assist with the cost of providing military funeral honors at veterans' funerals.

19-43-287. Digital Product and Motion Picture Office 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 "Digital Product and Motion Picture Office Fund".

(b) The fund shall consist of revenues as authorized by law.

(c) The fund shall be used for providing additional funds for duties and functions of the Arkansas Film Commission of the Arkansas Economic Development Commission.

(d)(1) The fund shall be administered in accordance with rules promulgated by the Department of Finance and Administration.

(2) The department shall consult with the Arkansas Film Commission of the Arkansas Economic Development Commission.

19-43-288. Arkansas Retirement Community Program Fund Account.

(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 Retirement Community Program Fund Account".

(b) The Arkansas Retirement Community Program Fund Account shall consist of:

(1) Those special revenues as specified in § 19-42-201(243); and

(2) Any other revenues as may be authorized by law.

(c) The Arkansas Retirement Community Program Fund Account shall be used by the Arkansas Economic Development Institute for payment of administrative and personnel costs and other costs of the Arkansas Association of Development Organizations associated with administering the Arkansas Retirement Community Program, as set out in the Arkansas Retirement Community Program Act, § 15-14-101 et seq.

19-43-289. State Drug Crime Enforcement and Prosecution 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 special revenue fund to be known as the "State Drug Crime Enforcement and Prosecution Grant Fund".

(b) The fund shall consist of:

(1) Revenues generated under § 12-17-106; and

(2) Any moneys authorized by the General Assembly.

(c) The fund shall be used by the Department of Finance and Administration for the purpose of funding state grant awards for multi-jurisdictional drug crime task forces to investigate and prosecute drug crimes within the State of Arkansas, as set out in § 12-17-101 et seq.

19-43-290. Wildlife Observation Trail 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 Observation Trail Fund" administered by the Department of Parks, Heritage, and Tourism.

(b) The fund shall consist of:

(1) Those special revenues and any other revenues as may be authorized by law;

(2) Any moneys appropriated to the fund by the General Assembly; and

(3) Any gifts, contributions, grants, or bequests received from federal, private, or other sources.

(c) The fund shall be used by the department to develop criteria to establish and fund the development and maintenance of wildlife observation trails.

19-43-291. Arkansas Video Service 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 Video Service Fund".

(b)(1) All moneys collected under § 23-19-204 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 Secretary of State to review and issue certificates of franchise authority.

(d) The fund may be used by the Secretary of State to issue refunds and reimbursements of fees collected in regard to the purpose of the fund.

19-43-292. Arkansas Court Appointed Special Advocates 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 special revenue fund to be known as the "Arkansas Court Appointed Special Advocates Program Fund".

(b) The fund shall consist of such revenues as may be authorized by law.

(c) The fund shall be used for providing program support for local offices of the Arkansas Court Appointed Special Advocates program.

19-43-293. County Coroners Continuing 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 special revenue fund to be known as the "County Coroners Continuing Education Fund".

(b)(1) The fund shall consist of those special revenues as specified in § 19-42-201(246).

(2) The fund also shall consist of any other revenues as may be authorized by law.

(c) The fund shall be used for defraying the expenses of training seminars and other educational projects benefiting county coroners in this state as set out in §§ 14-15-308, 16-20-105, 16-20-110, and § 26-60-101 et seq.

19-43-294. Fallen Law Enforcement Officers' Beneficiary 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 "Fallen Law Enforcement Officers' Beneficiary Fund".

(b) The fund shall consist of such revenues as may be authorized by law.

(c) The fund shall be used by the Arkansas Commission on Law Enforcement Standards and Training to provide such support and assistance to beneficiaries of fallen law enforcement officers as determined to be appropriate by the commission.

19-43-295. Alcoholic Beverage Control 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 "Alcoholic Beverage Control Fund".

(b)(1) The registration fee of fifteen dollars ($15.00) for each brand label and brand label size collected under § 3-2-403 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 Alcoholic Beverage Control Division shall use the fund to:

(1) Educate alcoholic beverage servers and law enforcement personnel regarding state law and the division's rules;

(2) Promote alcohol safety awareness; and

(3) Enforce state law and the division's rules regarding underage drinking.

19-43-296. Commercial Truck Safety and 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 special revenue fund to be known as the "Commercial Truck Safety and Education Fund".

(b)(1) Beginning October 1, 2013, the first two million dollars ($2,000,000) of the fee charged under § 27-14-601(a)(3)(G)(ii) for the fiscal year ending June 30, 2014, shall be deposited into the State Treasury to the credit of the fund as special revenues.

(2) Beginning July 1, 2014, the first two million dollars ($2,000,000) per fiscal year of the fee charged under § 27-14-601(a)(3)(G)(ii) shall be deposited into the State Treasury to the credit of the fund as special revenues.

(3) The fund also shall consist of any other revenues as may be authorized by law.

(c) The fund shall be used by the Arkansas Department of Transportation to improve the safety of the commercial truck industry through cooperative public-private programs that focus on increased enforcement, regulatory compliance, industry training, and educational programs to ensure the safe movement of goods on state highways.

19-43-297. Arkansas Sheriffs' Association 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 special revenue fund to be known as the "Arkansas Sheriffs' Association Education Fund".

(b) The fund shall be used by the Arkansas Sheriffs' Association exclusively for the performance of its duties as the official agency of the sheriffs of this state, including without limitation:

(1) Receiving and using funds for a continuing study of ways to improve the administration of sheriffs' offices; and

(2) Developing and improving education programs designed for sheriffs' offices in Arkansas.

19-43-298. Bail Bond Recovery 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 "Bail Bond Recovery Fund".

(b)(1) All moneys collected under § 17-19-301(g) 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 authorized by law.

(c) The fund shall be used exclusively for the recovery of forfeited professional bonds.

(d) The Professional Bail Bond Company and Professional Bail Bondsman Licensing Board shall promulgate rules concerning the disbursements of the fund.

(e)(1) The board shall promulgate rules to suspend, revoke, or take disciplinary action for noncompliance in failure to remit or pay fees under this section or for failure to report under this section.

(2) The Department of Finance and Administration may pursue any appropriate legal remedy for the collection of and remittance of the delinquent fees and penalties owed under this section against any entity that has a duty to collect or remit these fees.

19-43-299. Interpreters between Hearing Individuals and Individuals who are Deaf, Deafblind, Hard of Hearing, or Oral Deaf 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 "Interpreters between Hearing Individuals and Individuals who are Deaf, Deafblind, Hard of Hearing, or Oral Deaf Fund".

(b)(1) All moneys collected under § 20-14-801 et seq. 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 authorized by law.

(c) The fund shall be used by the Department of Health to pay costs

related to the Advisory Board for Interpreters between Hearing Individuals and Individuals who are Deaf, Deafblind, Hard of Hearing, or Oral Deaf and the licensure of licensed qualified interpreters under § 20-14-801 et seq.

Subchapter 3 — Enumeration of Special Revenue Funds, Continued

19-43-301. State Aid Street 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 "State Aid Street Fund".

(b) The fund shall consist of one cent (1¢) per gallon tax from revenue distributed under the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq., from the proceeds derived from existing motor fuel taxes and distillate fuel taxes.

(c) The fund shall be used for construction, reconstruction, and improvements of the state aid street system under the State Aid Streets Law, § 27-72-401 et seq.

(d)(1) All revenues deposited into the fund shall be apportioned to the municipalities as prescribed in § 27-72-413 for the distribution on the state aid street system among the various municipalities.

(2) The apportioned funds shall remain for a period of two (2) years from the date they are apportioned.

(3) Any unused funds shall be returned to the fund for redistribution in accordance with § 27-72-413.

(4)(A) For a municipality to receive these funds, the municipality shall be matched in the ratio of ninety percent (90%) of moneys from the fund to not less than ten percent (10%) municipal matching funds for all municipalities with a population in excess of twenty-five thousand (25,000) residents.

(B) For all other municipalities, the state aid street system shall be funded at one hundred percent (100%), and all municipalities receiving moneys from the fund shall comply with the State Aid Streets Law, § 27-72-401 et seq.

19-43-302. Road and Bridge Repair, Maintenance, and Grants 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 "Road and Bridge Repair, Maintenance, and Grants Fund".

(b) The fund shall consist of:

(1) Moneys collected under § 26-58-124, as designated under § 26-58-124(c)(2); and

(2) Any other revenues authorized by law.

(c) The fund shall be used for the maintenance, operation, and improvement required by the Arkansas Department of Transportation in carrying out the functions, powers, and duties stated in Arkansas Constitution, Amendment 42, §§ 27-65-102 — 27-65-107, 27-65-110, 27-65-122, and 27-65-124, and the other laws of this state prescribing the powers and duties of the department and the State Highway Commission.

19-43-303. Arkansas Tobacco Control Revenue Fund. [Effective until 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., 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., 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.

19-43-303. 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

Committee for review and approval of the transfer of funds in the Arkansas Highway Transfer Fund to the Arkansas Department of Transportation Fund.

(d) Upon review and approval of the Legislative Council or the Joint Budget Committee, the Chief Fiscal Officer of the State may transfer funds from the Arkansas Highway Transfer Fund to the Arkansas Department of Transportation Fund as deemed necessary to provide additional funding to address the highway construction and maintenance needs of the state.

(e) The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement of approval by the Legislative Council or Joint Budget Committee is ruled unconstitutional by a court of competent jurisdiction, this entire section is void.

19-43-305. Arkansas Division of Heritage Special Fund Account.

(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 Division of Heritage Special Fund Account".

(b) The fund shall consist of:

(1) That portion of moneys collected from the excise tax of one-eighth of one percent (⅛ of 1%) levied by Arkansas Constitution, Amendment 75, as set out in § 19-43-266(b)(3)(C); and

(2) Any other funds authorized or provided by law.

(c) The fund shall be used exclusively by the Division of Arkansas Heritage as appropriated by the General Assembly.

19-43-306. Department of Parks, Heritage, and Tourism Fund Account.

(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 "Department of Parks, Heritage, and Tourism Fund Account".

(b) The fund shall consist of:

(1) That portion of moneys collected from the excise tax of one-eighth of one percent (⅛ of 1%) levied by Arkansas Constitution, Amendment 75, as set out in § 19-43-266(b)(3)(B); and

(2) Any other funds authorized or provided by law.

(c) The fund shall be used by the Department of Parks, Heritage, and

Tourism for state park purposes as appropriated by the General Assembly.

19-43-307. Arkansas Industrial Hemp 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 "Arkansas Industrial Hemp Program Fund".

(b) The fund shall consist of:

(1) Fees collected under the Arkansas Industrial Hemp Production Act, § 2-15-501 et seq.;

(2) Gifts, grants, and other funds both public and private; and

(3) Other revenues as may be authorized by law.

(c) Any unallocated or unencumbered balances in the fund shall be invested in the fund, and any interest or other income earned from the investments, along with the unallotted or unencumbered balances in the fund, shall not lapse but shall be carried forward for purposes of the fund and made available solely for the purposes and benefits of the industrial hemp production program under the Arkansas Industrial Hemp Production Act, § 2-15-501 et seq.

19-43-308. Arkansas Medical Marijuana Implementation and Operations 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 Medical Marijuana Implementation and Operations Fund".

(b) The fund shall consist of:

(1) Moneys obtained pursuant to § 17 of the Arkansas Medical Marijuana Amendment of 2016, Arkansas Constitution, Amendment 98, from taxation of medical marijuana; and

(2) Any other revenues as may be authorized by law.

(c) The fund shall be used to pay expenses of state agencies incurred due to the passage of the Arkansas Medical Marijuana Amendment of 2016, Arkansas Constitution, Amendment 98, and for transfers of the distributions as set out by the Arkansas Medical Marijuana Amendment of 2016, Arkansas Constitution, Amendment 98.

19-43-309. Medical Marijuana 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 “Medical Marijuana Commission Fund”.

(b) The fund shall consist of:

(1) Funds distributed under § 17(b) of the Arkansas Medical Marijuana Amendment of 2016, Arkansas Constitution, Amendment 98; and

(2) Other revenues and funds authorized by law.

(c) The Medical Marijuana Commission shall use the fund for the administration of the commission and other purposes under the Arkansas Medical Marijuana Amendment of 2016, Arkansas Constitution, Amendment 98.

19-43-310. Domestic Violence Shelter 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 “Domestic Violence Shelter Fund”.

(b) The fund shall be used to provide funding for statewide grants awarded to a statewide domestic violence entity under the Arkansas Domestic Violence Shelter Act, § 9-6-101 et seq.

(c) The fund shall consist of:

(1) The special revenues collected under § 9-15-202(d) and § 16-10-305(h);

(2) Moneys obtained from private grants or other sources that are designated to be credited to the fund; and

(3) Any other revenues authorized by law.

19-43-311. Arkansas Wine Grants Fund.

(a)(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 special revenue fund to be known as the “Arkansas Wine Grants Fund”.

(2) The Arkansas Wine Grants Fund shall consist of fees collected from grocery store wine permits under § 3-5-1802 and shall be administered by the Department of Finance and Administration.

(b) Fifty percent (50%) of fees that are deposited into the Arkansas Wine Grants Fund under § 3-5-1802 shall be transferred to the Arkansas Agricultural Marketing Grants Fund to be used to make payments of grants

under the grant program in § 3-5-901 et seq.

(c) Fifty percent (50%) of fees that are deposited into the Arkansas Wine Grants Fund under § 3-5-1802 shall be transferred to the Tourism Development Trust Fund for the purpose of land acquisition, construction, lease, equipment acquisition, improvements, renovation, major maintenance, personal services, maintenance, operating and staffing a wine tourism facility and office space for the Arkansas Wine Producers Council within the tourism facility in Franklin County, Arkansas.

(d) Any unused or undesignated fees at the end of the fiscal year shall be transferred to the Tourism Development Trust Fund.

19-43-312. Law Enforcement Training 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 "Law Enforcement Training Fund".

(b) The fund shall consist of such revenues as may be collected under § 12-41-505 or as otherwise authorized by law.

(c) The fund shall be used by the Arkansas Commission on Law Enforcement Standards and Training to establish and conduct training for law enforcement officers, personnel, jailers, 911 operators, or other persons determined by the commission to qualify for the training.

19-43-313. Feral Hog Eradication 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 "Feral Hog Eradication Fund".

(b) The fund shall consist of:

(1) Fines collected under § 2-38-504; and

(2) Any other revenues as may be authorized by law.

(c) The fund shall be used by the Department of Agriculture for expenses associated with the eradication efforts to eliminate feral hogs.

19-43-314. Arkansas Cyber Initiative 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 Cyber Initiative 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 Arkansas Economic Development Commission for the purposes set out in the Arkansas Cyber Initiative Act, § 25-26-301 et seq.

19-43-315. Breast Milk Bank Special 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 “Breast Milk Bank Special Fund”.

(b) The fund shall consist of:

(1) Fees collected under § 20-7-140;

(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) Any other revenues as may be authorized by law.

(c) The fund shall be used by the University of Arkansas for Medical Sciences for expenses of the Arkansas Breast Milk Bank.

19-43-316. Secretary of State Business and Commercial Services Electronic Filing System 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 “Secretary of State Business and Commercial Services Electronic Filing System Fund”.

(b) The fund shall consist of:

(1) The processing fees collected under § 26-54-104(b)(1); and

(2) Any other revenues as may be authorized by law.

(c) The fund shall be used by the Secretary of State to pay for the maintenance and support of the business and commercial services electronic filing system of the Secretary of State.

(d) The fund may be used by the Secretary of State to issue refunds and reimbursements of processing fees collected for the annual franchise tax.

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

of the preceding fiscal year on the books of the Chief Fiscal Officer of the State upon investigation and subsequent determination by the Chief Fiscal Officer of the State that failure to do so would cause undue harm to the state or any of its agencies.

CHAPTER 46
NONREVENUE RECEIPTS

Subchapter 1. General Provisions [Reserved.]
Subchapter 2. Nonrevenue Receipts — Sources — Uses

Subchapter 1 — General Provisions [Reserved.]

Subchapter 2 — Nonrevenue Receipts — Sources — Uses

19-46-201. Nonrevenue receipts.

(a) Nonrevenue receipts consists of:

(1) The repayment of the principal amount of loans;

(2) The proceeds of the sale and redemption of securities, including premiums received thereon;

(3) The transfer of funds, by warrants, between funds or fund accounts on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State;

(4) Federal reimbursement received by state agencies on account of eligible expenditures for specific programs and deposited into funds or fund accounts in the State Treasury classified other than federal;

(5) Refunds to the state or state agencies, departments, or institutions; and

(6) Funds collected from drug manufacturers as rebates according to promulgated regulations of Title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq., as amended, and deposited into the Arkansas Medicaid Rebate Program Revolving Fund. These funds are transferrable to the Department of Human Services Medicaid Paying Accounts Account for disbursement in the Arkansas Medicaid Program.

(b) Refunds to expenditures consist of:

(1) Proceeds received from insurance policies for casualty

losses by state agencies, departments, or institutions;

(2) Proceeds received from vendors on account of overpayment of obligations remitted by state agencies, departments, or institutions;

(3) Refunds to state agencies for cash advances or over allocations made to other state and local agencies for subgrants;

(4) Refunds to state agencies for the erroneous payment or overpayment of salaries to state employees;

(5) Proceeds derived from the maturity or redemption of investments;

(6) Reimbursements to institutions of higher education for cash fund expenditures for salaries that are properly chargeable to funds in the State Treasury;

(7) Deposits by the counties in the State Aid Road Fund and in the County Supplement Fund Account in the State Treasury for matching funds available in the state aid road construction program;

(8) Reimbursements to state agencies for cost-sharing purposes;

(9) Federal reimbursements of expenses paid in advance by the state on behalf of the United States Government; and

(10) Reimbursements by vendors or their agents for warranties, product rebates, and service adjustments.

(c) The first eighteen million dollars ($18,000,000) received each fiscal year by the State of Arkansas under the State and Local Fiscal Assistance Act of 1972, 31 U.S.C. § 6701, commonly referred to as the "Revenue Sharing Act", shall be transferred by the Treasurer of State to the Federal Revenue Sharing State Highway Trust Fund Account in the Arkansas Department of Transportation Fund.

(d) Income derived from the sale of miscellaneous and junk inventories whose ownership is questionable or when excessive administrative accounting is required shall be deposited into the State Treasury as a nonrevenue receipt, there to be credited to the Miscellaneous Agencies Fund Account.

SUBTITLE 4. PURCHASING AND CONTRACTS

CHAPTER 60. GENERAL PROVISIONS

CHAPTER 61. ARKANSAS PROCUREMENT LAW

CHAPTER 62. BIDDING — STATE INDUSTRY PRIORITY

CHAPTER 63. FEDERAL GOVERNMENT SURPLUS PROPERTY
CHAPTER 64. ETHICS
CHAPTER 65. PROCUREMENT OF PROFESSIONAL SERVICES
CHAPTER 66. PURCHASES OF WORK CENTER PRODUCTS AND SERVICES
CHAPTER 67. PROFESSIONAL AND CONSULTANT SERVICES CONTRACTS
CHAPTER 68. GUARANTEED ENERGY COST SAVINGS ACT
CHAPTER 69. PARTIAL EQUITY OWNERSHIP AGREEMENT EXECUTED BY A STATE RETIREMENT SYSTEM
CHAPTER 70. CONSTRUCTION MANAGER-GENERAL CONTRACTOR METHOD OF PROCUREMENT PILOT PROGRAM
CHAPTERS 71 – 89 [RESERVED.]

CHAPTER 60
GENERAL PROVISIONS

19-60-101. Responsibility of disbursing officer – Maintenance of files by Office of State Procurement.

(a) The disbursing officer of each agency, board, commission, department, or institution shall be responsible for reviewing all invoices prepared by commercial printers or suppliers holding commercial contracts to make certain that the charges to the agency, board, commission, department, or institution are proper under the terms of the contract.

(b) The Office of State Procurement shall maintain complete files that shall be open to public inspection on all commercial term and one-time contracts. The files shall contain:

(1) A copy of the contract;

(2) A list of all printing or duplicating done or commodities ordered, as well as the name of the invoiced agency; and

(3) A copy of all correspondence regarding the contract or jobs performed thereunder.

19-60-102. Use of soybean ink in state printing.

Notwithstanding any law or rule to the contrary, all printing that is chargeable to or that is paid for with funds appropriated wholly or in part by the state, or any state department, division, bureau, board, commission, or agency, shall be printed in soybean ink; provided, however, that the

soybean ink is comparable in price to other inks, and that it is equally suitable for use.

19-60-103. Penalty for violation of law.

A person who is found by a court of law to have knowingly violated any state law in conjunction with the performance or acquisition of a contract with the state is ineligible to contract with the state for a period of three (3) years.

19-60-104. Equal opportunity policy — Purpose.

(a) The purpose of this section is to require any entity or person bidding on a state contract, responding to a request for proposals regarding a state contract, responding to a request for qualifications regarding a state contract, or negotiating a contract with the state for professional or consulting services to submit to the Office of State Procurement the most current equal opportunity policy of the entity or person.

(b) The office and a state agency shall require a copy of the most current equal opportunity policy of an entity or person to be filed with the office or state agency for public inspection as a condition precedent to:

(1) Accepting a letter of intent, bid, proposal, or statement of qualification with regard to a state contract from the entity or person; or

(2) Entering negotiations with the entity or person for a professional or consulting services contract with the state.

19-60-105. Illegal immigrants — Prohibition — Public contracts for services — Definitions.

(a) As used in this section:

(1) “Contractor” means a person having a public contract with a state agency for professional services, technical and general services, or any category of construction in which the total dollar value of the contract is twenty-five thousand dollars ($25,000) or greater;

(2) “Exempt agency” means the constitutional departments of the state, the elected constitutional offices of the state, the General Assembly, including the Legislative Council and the Legislative Joint Auditing Committee and supporting agencies and bureaus thereof, the Supreme Court, the Court of Appeals, circuit courts, prosecuting attorneys, and the

Administrative Office of the Courts;

(3) "Illegal immigrant" means any person not a citizen of the United States who has:

(A) Entered the United States in violation of the Immigration and Nationality Act, 8 U.S.C. §1101 et seq., or regulations issued under the Immigration and Nationality Act, 8 U.S.C. § 1101 et seq.;

(B) Legally entered the United States but without the right to be employed in the United States; or

(C) Legally entered the United States subject to a time limit but has remained illegally after expiration of the time limit;

(4) "Professional services contract" means a contract between a state agency and a contractor in which:

(A) The relationship between the contractor and the state agency is that of an independent contractor rather than that of an employee;

(B) The services to be rendered consist of the personal services of an individual that are professional in nature;

(C) The state agency does not have direct managerial control over the day-to-day activities of the individual providing the services;

(D) The contract specifies the results expected from the rendering of the services rather than detailing the manner in which the services shall be rendered; and

(E) Services rendered under a professional services contract are rendered to the state agency itself or to a third-party beneficiary;

(5) "Public contract for services" means any type of agreement between a state agency and a contractor for the procurement of services and all categories of construction with a state agency in which the total dollar value of that contract is twenty-five thousand dollars ($25,000) or greater;

(6)(A) "State agency" means any agency, institution, authority, department, board, commission, bureau, council, or other agency of the state supported by appropriation of state or federal funds, except an exempt agency under subdivision (a)(7)(B) of this section.

(B) "State agency" includes an exempt agency when any agency or exempt agency procures any item subject to Arkansas Constitution, Amendment 54; and

(7)(A) "Technical and general services" means:

(i) Work accomplished by skilled individuals involving time, labor, and a degree of expertise in which performance is evaluated based upon the quality of the work and the results produced;

(ii) Work performed to meet a demand, including without limitation work of a recurring nature that does not necessarily require special skills or extensive training; or

(iii) The furnishing of labor, time, or effort by a contractor or vendor, not involving the delivery of any specific end product other than reports that are incidental to the required performance.

(B) "Technical and general services" does not include the procurement of professional services under § 19-65-101 et seq.

(b) A state agency shall not enter into or renew a public contract for services with a contractor who knows that the contractor or a subcontractor employs or contracts with an illegal immigrant to perform work under the contract.

(c) Before executing a public contract, each prospective contractor shall certify in a manner that does not violate federal law in existence on January 1, 2007, that the contractor at the time of the certification does not employ or contract with an illegal immigrant.

(d)(1) If a contractor violates this section, the state shall require the contractor to remedy the violation within sixty (60) days.

(2)(A) If the contractor does not remedy the violation within the sixty (60) days specified under subdivision (d)(1) of this section, the state shall terminate the contract for breach of the contract.

(B) If the contract is terminated under subdivision (d)(2)(A) of this section, the contractor shall be liable to the state for actual damages.

(e)(1)(A) If a contractor uses a subcontractor at the time of certification, the subcontractor shall certify in a manner that does not violate federal law in existence on January 1, 2007, that the subcontractor at that time of certification does not employ or contract with an illegal immigrant.

(B) A subcontractor shall submit the certification required under subdivision (e)(1)(A) of this section within thirty (30) days after the execution of the subcontract.

(2) The contractor shall maintain on file the certification of the subcontractor throughout the duration of the term of the contract.

(3) If the contractor learns that a subcontractor is in violation of this section, the contractor may terminate the contract with the subcontractor, and the termination of the contract for a violation of this section shall not be considered a breach of the contract by the contractor and subcontractor.

19-60-106. Data company — Definitions.

(a) As used in this section:

(1) "Contractor" means a person having a public contract with a public entity for storage services or software services;

(2) "Data" means recorded information, regardless of form or characteristic;

(3) "Data company" means a contractor that provides software and stores data for a public entity or provides storage services for a public entity;

(4) "Entity of the state" means a department, institution of higher education, board, commission, agency, quasi-public organization, official, office, or employee, or an agency, instrumentality, or function thereof;

(5) "Political subdivision of the state" means a county, municipality, quasi-public organization, district, official, office, or employee, or an agency, instrumentality, or function thereof;

(6)(A) "Public contract" means an agreement for the purchase of commodities and services by a public entity.

(B) "Public contract" includes supplemental agreements;

(7) "Public entity" means an entity of the state or a political subdivision of the state or a school;

(8) "School" means a public school district, charter school, or education service cooperative, or a publicly supported entity having supervision over public educational entities; and

(9) "Storage services" means the storage of data of a public entity.

(b)(1) Data that is stored by a data company for a public entity is the property of the public entity.

(2) A data company shall not sell, disclose, or otherwise use the data that is stored for any other purpose without express authorization from the public entity unless the data is:

(A) Considered open; or

(B) Released in the public domain by the public entity.

(3) A data company shall comply with the Arkansas Information Systems Act of 1997, § 25-4-101 et seq.

(c)(1) Upon the expiration or termination of a public contract, a data company shall return all data to the public entity in the format specified in the public contract and in a secure manner.

(2)(A) If the public contract does not specify a format for return of the data, as an express term of the public contract, the data company shall return all data to the public entity in a secure common data format specified by the public entity in writing and delivered to the data company within thirty (30) days after the expiration or termination of the public contract.

(B) Notwithstanding the requirement of a public entity to specify in writing the secure common data format for return of the data and to deliver the data in that format to a data company under subdivision (c)(2)(A) of this section, a data company shall return all data to a public entity in a usable format within sixty (60) days after the expiration or termination of a public contract unless there is a contractual agreement that specifies what data can be kept, how long the data can be kept, and the purposes for which the data can be used by the data company.

(d)(1) A data company shall provide for the destruction of data still in its possession in a secure manner such that data cannot be reconstructed with backups or duplicate copies of data.

(2) The data company shall provide a certificate of destruction and describe the methods used for destruction.

(3) Destruction of the data shall be effected:

(A) Upon written approval by the public entity that acknowledges destruction of the data; and

(B) No later than six (6) months after the expiration or termination of the public contract.

(e) This section does not prevent a public entity and a data company from negotiating a public contract to determine the type of data format that

is acceptable for transferring data from a data company or from negotiating a public contract that expressly contemplates alternate terms with regard to data return or data destruction, which alternate terms shall prevail over this section.

19-60-107. Contracts.

(a) An agency procurement official or procurement agent may enter into contracts to acquire technology systems for performing the revenue-generating functions and duties of the agency, including without limitation registration, processing, and collection functions.

(b) Any contract entered into under this section between an agency procurement official or procurement agent and a vendor of technology systems shall provide for:

(1) Payment of the technology systems on the basis of a percentage of the increase in the amount of specific taxes or fees collected, including interest and penalties thereon, for a fixed time period, which increase exceeds revenues projected prior to the project and is attributable to the implementation and use of the technology system; or

(2) Payment of the technology system on a fixed fee contract basis, the fee to be paid from the increase in the amount of specific taxes or fees collected, including interest and penalties thereon, which increase exceeds revenues projected prior to the project and is attributable to the implementation and use of the technology system.

(c)(1) All contracts authorized by this section shall be entered into pursuant to the Arkansas Procurement Law, § 19-61-101 et seq.

(2) Before execution of the contract, the following process shall be followed:

(A) The requesting agency shall request approval from the Secretary of the Department of Transformation and Shared Services to prepare a request for proposal for a project authorized under this section;

(B) The request shall include the general nature of the project, the anticipated revenues that will be enhanced, and the forecasted revenues for the current biennium;

(C) Upon approval of the Secretary of the Department of Transformation and Shared Services, the requesting agency shall prepare a request to the Department of Finance and Administration for approval to

prepare a request for proposal for a technology project authorized under this subchapter;

(D) The request shall include the revenue source or sources that will be increased as a result of the project and the projected revenues for the anticipated life of the project;

(E) The requesting agency shall prepare a request for proposal, with advice and consultation from the Department of Finance and Administration, for the purchase of technology systems on the basis of a portion of the increase in the agency's revenues produced by the technology system; and

(F)(i) The request for proposal may provide that the agency and the vendor may negotiate an amount or baseline upon which the increase in taxes or fees is measured.

(ii) A contract other than a fixed fee contract shall include a factor in the baseline calculation to account for an increase in taxes or fees due solely to economic factors and not to the use of the technology.

(3) The agency procurement official or procurement agent and the vendor shall negotiate the contract, with the oversight of the Department of Finance and Administration to assist in negotiating an advantageous contract.

(4)(A) The agency director shall submit the proposed contract and a request for new appropriation to the Governor or his or her designee.

(B) The accompanying information shall include the methodology used to calculate the baseline amount proposed by the agency and other justifications and information that detail the program and the expected benefits of the agreement.

(C) The Governor or his or her designee shall study the request and determine whether the appropriation requested and the terms of the proposed contract are in strict compliance with this section.

(D)(i) The Governor may approve or modify the request for new appropriation and the proposed contract.

(ii) Any modification of the proposed contract shall be submitted to the vendor for approval.

(5)(A) Upon approval of the shared benefit agreement and new appropriation request, the Governor shall seek the advice and recommendation of the Legislative Council.

(B) Upon review of the Legislative Council, the Governor shall forward a copy of his or her approvals to the agency director and the Chief Fiscal Officer of the State.

(d) After receipt of the Governor's approvals, the Chief Fiscal Officer of the State shall direct the Auditor of State and the Treasurer of State to establish upon their books of record the necessary appropriation accounts in accordance with the provisions as set out in this section from the shared benefit holding appropriation.

(e) The requesting agency may utilize these appropriations to implement the approved contract.

(f) This section does not prohibit an agency that enters into a contract under this section from acquiring goods or services through appropriations for a function or program of that agency not specifically included in a contract entered into under this section.

(g) The Secretary of the Department of Transformation and Shared Services may promulgate such rules, procedures, and guidelines as he or she may deem necessary and proper in order to carry out this section.

CHAPTER 61
ARKANSAS PROCUREMENT LAW

Subchapter 1. General Provisions
Subchapter 2. Office of State Procurement — State Procurement Director
Subchapter 3. State Agencies — Agency Procurement Officials
Subchapter 4. Vendors — Contractors — Bidders
Subchapter 5. Source Selection and Contract Formation
Subchapter 6. Commodity Management
Subchapter 7. Conflict Resolution — Debarment
Subchapter 8. Intergovernmental Relations

Subchapter 1 — General Provisions

19-61-101. Title.

This chapter shall be known and may be referred to as the "Arkansas Procurement Law".

19-61-102. Purposes and policies.

The underlying purposes and policies of this chapter are to:

(1) Simplify, clarify, and modernize the law governing procurement by this state;

(2) Permit the continued development of procurement policies and practices;

(3) Provide for increased public confidence in the procedures followed in public procurement;

(4) Ensure the fair and equitable treatment of all persons who deal with the procurement system of this state;

(5) Provide increased economy in state procurement activities by fostering effective competition; and

(6) Provide safeguards for the maintenance of a procurement system of quality and integrity.

19-61-103. Definitions generally.

As used in this chapter:

(1)(A) "Agency procurement official" means a person authorized by a state agency to enter into and administer contracts and make written determinations and findings with respect to contracts, in accordance with procedures prescribed by this chapter and the rules promulgated under it.

(B) "Agency procurement official" includes an authorized representative acting within the limits of authority;

(2) "Business" means a corporation, partnership, individual, sole proprietorship, joint-stock company, joint venture, or other legal entity;

(3)(A) "Capital improvement" means all lands, buildings, structures, utilities, on-site and off-site improvements, and other appurtenant improvements, existing or future, and all construction, repairs, alterations, and renovations thereof that are undertaken, owned, operated, or otherwise managed by a state agency.

(B) "Capital improvement" does not include:

(i) Construction and reconstruction of roads and bridges in the state highway system by the State Highway Commission; or

(ii) A building, facility, plant, structure, or other improvement constructed by, or in behalf of, the Arkansas Department of

Transportation or the State Highway Commission;

(4)(A) "Commodities" means all personal property, including without limitation:

(i) Goods, as defined in § 4-2-105;

(ii) Leases, as defined in § 4-2A-103; and

(iii) Insurance.

(B) "Commodities" does not include:

(i) A lease on real property or a permanent interest in real property;

(ii) Exempt commodities and services; and

(iii) Capital improvements;

(5)(A) "Contract" means all types of state agreements, regardless of what they may be called, for the purchase of commodities and services and for the disposal of surplus commodities and services not otherwise exempt.

(B)(i) "Contract" includes:

(a) Awards and notices of award;

(b) Contracts of a fixed-price, cost, cost-plus-a-fixed-fee, or incentive type;

(c) Contracts providing for the issuance of job or task orders;

(d) Leases;

(e) Letter contracts; and

(f) Purchase orders.

(ii) "Contract" also includes supplemental agreements with respect to any of the items listed under subdivision (5)(B)(i) of this section.

(iii) "Contract" does not include a partial equity ownership agreement as defined under § *19-69-101* et seq.;

(6) "Contract modification" means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of a contract accomplished by mutual action of the parties to the contract;

(7) "Contractor" means a person having a contract with a state agency;

(8) "Data" means recorded information, regardless of form or

characteristic;

(9) "Debarment" means the disqualification of a person to receive invitations for bids or requests for proposals or the award of a contract by the state for a specified period of time commensurate with the seriousness of the offense or the failure or the inadequacy of performance;

(10) "Designee" means a duly authorized representative of a person holding a superior position;

(11) "Electronic" means electrical, digital, magnetic, optical, or any other similar technology;

(12) "Employee" means an individual drawing a salary from a state agency, whether elected or not, and a nonsalaried individual performing personal services for an agency;

(13) "Exempt agencies" means the constitutional departments of the state, the elected constitutional offices of the state, the General Assembly, including the Legislative Council and the Legislative Joint Auditing Committee and supporting agencies and bureaus of the General Assembly, the Supreme Court, the Court of Appeals, circuit courts, prosecuting attorneys, and the Administrative Office of the Courts;

(14) "Exempt commodities and services" means:

(A) Advertising in newspapers, periodicals, and related publications and on television, radio, billboards, and electronic media;

(B) Animals procured for medical research;

(C)(i) Commodities and services for use in research, education, and treatment for the diagnosis, cure, and prevention of disease, which may be procured with administrative approval through a group purchasing entity serving other public health institutions when substantial savings are available.

(ii) A report shall be filed annually with Arkansas Legislative Audit reflecting the justification of and the estimated savings accruing due to the use of the exemption under this subdivision (14)(C);

(D)(i) Commodities procured for resale in cafeterias, commissaries, bookstores, gift shops, canteens, and other similar establishments.

(ii) However, commodities procured under subdivision (14)(D)(i) of this section shall not be sold or transferred to an agency with the intent of circumventing applicable procurement procedures;

(E)(i) Contracts awarded by agencies for the construction of buildings and facilities and for major repairs.

(ii) Contract exemptions under subdivision (14)(E)(i) of this section shall not extend to the procurement of commodities not otherwise exempt that are to be furnished by the agency under the contract;

(F) Contracts awarded by the Arkansas Department of Transportation for the construction, reconstruction, and maintenance of roads and bridges in the state highway system and for the county, rural road aid, and city street aid programs;

(G)(i) Farm products procured or sold by a state agency having an agency procurement official.

(ii) The current trade customs with respect to the procurement or sale of cotton, cotton seed, rice, and other farm products shall be followed when it is necessary to obtain the best price for the commodities procured or sold;

(H) Fees, including medical fees and physician fees;

(I) Foster care maintenance services provided by foster family homes or a community provider that is licensed as a family style residential home or that provides a family home setting approved by the Division of Children and Family Services for children whose placement and care are the responsibility of the Division of Children and Family Services;

(J) Freight and storage charges and demurrage;

(K) Licenses required prior to performance of services;

(L)(i) Livestock procured by an agency having an official experienced in selection and procurement of livestock.

(ii) A procurement under subdivision (14)(L)(i) of this section shall be reported to the State Procurement Director, giving details of the purchase;

(M) Livestock procured for breeding, research, or experimental purposes;

(N) Maintenance on office machines and technical equipment;

(O) Medical items specifically requested by a physician for treatment or diagnosis of patients in his or her care, including prosthetic devices, surgical instruments, heart valves, pacemakers,

radioisotopes, and catheters;

(P) Membership in professional, trade, and other similar associations;

(Q) Perishable foodstuffs for immediate use or processing;

(R) Postage;

(S) Published books, manuals, maps, periodicals, films, technical pamphlets, and copyrighted educational aids for use in libraries and for other informational or instructional purposes in instances in which other applicable law does not provide a restrictive means for the acquisition of these materials;

(T) Services of visiting speakers, lecturers, and performing artists;

(U) Taxes;

(V) Travel expense items such as room and board and transportation charges;

(W) Utility services or equipment that is defined, recognized, and regulated by the Arkansas Public Service Commission as a monopoly offering;

(X) Works of art for museum and public display;

(Y) Capital improvements valued at less than the amount stated in § 22-9-203, subject to minimum standards and criteria of the Building Authority Division;

(Z) Services related to work force development, incumbent work force training, or specialized business or industry training;

(AA) The following commodities and services relating to proprietary software after the initial procurement:

(i) Technical support incidental to supporting the continuous operation of proprietary software;

(ii) Renewals;

(iii) Additional copies; and

(iv) License upgrades;

(BB) Commodities and raw materials purchased by Arkansas Correctional Industries intended for use in goods for resale;

(CC) Commodities purchased by the Division of Correction for crop production, including without limitation fertilizers, seed, seedlings, and agricultural-related chemicals;

(DD) Repair services for hidden or unknown damages to machinery already purchased;

(EE) Commodities and services purchased by an academic medical center using revenue derived from and used for patient care and hospital enterprises; and

(FF) Commodities procured by the State Parks Division to furnish and supply overnight lodging facilities with amenities, linens, furniture, and general décor;

(15)(A)(i) "Grant" means the furnishing by the state of assistance, whether financial or otherwise, to a person to support a program authorized by law.

(ii) "Grant" does not include an award the primary purpose of which is to procure an end product, whether in the form of commodities or services.

(B) A contract resulting from such an award is not a grant but a procurement contract;

(16) "May" means the permissive;

(17) "Paper product" means an item manufactured from paper or paperboard;

(18) "Person" means a business, individual, union, committee, club, or other organization or group of individuals;

(19) "Political subdivisions" means counties, municipalities, and school districts;

(20)(A) "Procurement" means the buying, purchasing, renting, leasing, or otherwise obtaining of any commodities or services.

(B) "Procurement" includes all functions that pertain to the obtaining of any public procurement, including description of requirements, selection and solicitation of sources, preparation and award of contract, disposal of commodities, and all phases of contract administration;

(21) "Procurement agency" means a state agency that is authorized by this chapter, by implementing rules, or by way of delegation from the State Procurement Director to contract on its own behalf rather than through the central contracting authority of the State Procurement Director;

(22)(A) "Procurement agent" means a person authorized by a state agency not having an agency procurement official to enter into and administer contracts and make written determinations and findings with respect to

contracts, in accordance with procedures prescribed by this chapter.

(B) "Procurement agent" includes an authorized representative acting within the limits of authority;

(23)(A) "Public funds" means all state-appropriated and cash funds of state agencies, as defined by applicable law or official ruling.

(B) Without necessarily being limited thereto, "public funds" does not include:

(i) Grants, donations, research contracts, and revenues derived from self-supporting enterprises that are not operated as a primary function of the agency, no part of which funds are deposited into the State Treasury; and

(ii) Revenue derived from patient care and self-supporting hospital enterprises of an academic medical center;

(24) "Public notice" means the distribution or dissemination of information to interested parties using methods that are reasonably available, including publication in newspapers of general circulation, use of electronic or paper mailing lists, and use of websites designated by the State of Arkansas and maintained for that purpose;

(25)(A) "Purchase request" means that document, written or electronic, in which a using agency requests that a contract be obtained for a specified need.

(B) "Purchase request" may include without limitation the technical description of the requested item, delivery schedule, transportation, criteria for evaluation of solicitees, suggested sources of supply, and information supplied for the making of a written or electronic determination and finding required by this chapter;

(26) "Recycled paper" means paper that contains recycled fiber in a proportion specified by the State Procurement Director;

(27)(A) "Services" means the furnishing of labor, time, or effort by a contractor that does not produce tangible commodities.

(B) "Services" includes without limitation:

(i) Consulting services;

(ii) Personal services;

(iii) Professional services;

(iv) Technical and general services; and

(v) The furnishing of labor, time, or effort by a

contractor for the generation, customization, configuration, or development of software and other intangible property other than technical support incidental to the procurement of proprietary software.

(C) "Services" does not include employment agreements, collective bargaining agreements, exempt commodities and services, or architectural or engineering contracts requiring approval of the Building Authority Division or the Division of Higher Education;

(28) "Shall" means the imperative;

(29) "Signature" means a manual, an electronic, or a digital method executed or adopted by a party with the intent to be bound by or to authenticate a record that is:

(A) Unique to the person using it;

(B) Capable of verification;

(C) Under the sole control of the person using it; and

(D) Linked to data in such a manner that if the data are changed, the electronic signature is invalidated;

(30)(A) "State agency" means an agency, institution, authority, department, board, commission, bureau, council, or other agency of the state supported by appropriation of state or federal funds, except an exempt agency pursuant to subdivision (13) of this section.

(B) "State agency" includes an exempt agency when an agency or exempt agency procures an item subject to Arkansas Constitution, Amendment 54;

(31)(A) "State contract" means a contract for the procurement of commodities or services in volume, awarded by the State Procurement Director.

(B) The contract may apply to all or part of the state;

(32) "State Procurement Director" means the person holding the position created in § 19-61-202, as the head of the Office of State Procurement;

(33) "Suspension" means the disqualification of a person to receive invitations for bids, requests for proposals, or the award of a contract by the state for a temporary period pending the completion of an investigation and legal proceedings that may ensue because a person is suspected upon probable cause of engaging in criminal, fraudulent, or seriously improper conduct or failure or inadequacy of performance, which may lead to debarment;

(34)(A) "Technical and general services" means:

(i) Work accomplished by skilled individuals involving time, labor, and a degree of expertise, in which performance is evaluated based upon the quality of the work and the results produced;

(ii) Work performed to meet a demand, including without limitation work of a recurring nature that does not necessarily require special skills or extensive training; or

(iii) The furnishing of labor, time, or effort by a contractor or vendor, not involving the delivery of any specific end product other than reports that are incidental to the required performance.

(B) "Technical and general services" does not include the procurement of professional services under § 19-65-101 et seq.;

(35) "Using agency" means a state agency that utilizes any commodities or services purchased under this *chapter*; and

(36) "Written" or "in writing" means the product of any method of forming characters on paper, other materials, or viewable screens, which can be read, retrieved, and reproduced, including information that is electronically transmitted and stored.

19-61-104. Applicability.

(a)(1) This chapter applies to:

(A) Every expenditure of public funds by this state, acting through a state agency, under any contract; and

(B) The disposal of state commodities.

(2) This chapter does not apply to:

(A) Either grants or contracts between the state and its political subdivisions or other governments, except as provided in §§ 19-61-801 — 19-61-811; or

(B) Contracts between agencies, except as provided in §§ 19-61-801 — 19-61-811.

(b) This chapter does not preclude the acceptance of gifts and donations in the manner authorized by law.

19-61-105. Exemptions.

(a) An out-of-state off of a state agency need not procure commodities and services for the use of the out-of-state office through the Office of

State Procurement.

(b) Commodities and services procured outside the Office of State Procurement under subsection (a) of this section shall be procured subject to the requirements of this chapter and the state procurement rules.

19-61-106. Construction — Preemption of other laws.

This chapter shall:

(1) Be construed liberally and applied to promote its underlying purposes and policies; and

(2) Preempt any conflicting state statutes and principles of common law or equity.

19-61-107. Operation of other laws.

Unless displaced by the particular provisions of this chapter, the principles of law and equity, including the Uniform Commercial Code, § 4-1-101 et seq., of this state, the law merchant, and law relative to capacity to contract, agency, fraud, misrepresentation, duress, coercion, mistake, or bankruptcy supplement this chapter.

19-61-108. Obligation of "good faith" — Definition.

(a) Every contract or duty within this chapter imposes an obligation of good faith in its performance or enforcement.

(b) As used in this section, "good faith" means honesty in fact in the conduct or transaction concerned and the observance of reasonable commercial standards of fair dealing.

19-61-109. Existing contracts.

The administration of contracts in existence on July 1, 1979, are the responsibility of the appropriate officials described in this chapter.

19-61-110. Federal assistance requirements.

If federal assistance requirements or federal contract requirements conflict with this chapter or rules promulgated under this chapter, nothing in this chapter or its rules shall prevent a state agency or political subdivision from complying with the terms and conditions of the federal assistance requirements or the federal contract requirements.

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.

(b) Each agency procurement official and each state agency with procurement authority under a delegation order shall report the information obtained under subsection (a) of this section to the Office of State Procurement.

19-61-115. Requests for information — Definition.

(a) As used in this section, "request for information" means a procedure for formally requesting information, data, comments, or reactions from prospective bidders or offerors in contemplation of a possible competitive sealed bidding procurement under § 19-61-505 or a competitive sealed proposal procurement under § 19-61-506.

(b) The State Procurement Director, a head of a procurement agency, or a designee of the director or of a head of a procurement agency, may issue or authorize another person to issue a request for information.

(c) A request for information under this section shall be published in the same manner and location as an invitation for bids, a request for proposals, or a request for qualifications.

(d) A contract shall not be awarded directly from a request for information.

(e) Information provided in response to a request for information under this section is exempt from the Freedom of Information Act of 1967, § 25-19-101 et seq., until:

(1) The bids for a competitive sealed bidding procurement are opened publicly;

(2) The notice of anticipation to award is given for a competitive sealed proposal procurement; or

(3) A decision is made not to pursue a procurement based on the request for information.

19-61-116. Submission of contracts required — Definition.

(a)(1) Except for critical emergency procurements and as otherwise provided in this section, a contract requiring the services of one (1) or more persons shall be presented to the Legislative Council or, if the General Assembly is in session, to the Joint Budget Committee, if the annual contract amount is at least fifty thousand dollars ($50,000) in any one (1) contract year or if the total projected contract amount, including any amendments or

possible extensions, is at least three hundred fifty thousand dollars ($350,000).

(2) The Legislative Council or the Joint Budget Committee shall provide the State Procurement Director with its review as to the propriety of the contract within thirty (30) days after receipt of the proposed contract.

(3) The contract shall not be submitted to the Legislative Council or to the Joint Budget Committee until the Office of State Procurement has reviewed the contract and provided the Legislative Council or the Joint Budget Committee with a recommendation regarding the legality of the contract.

(4)(A)(i) A contract that does not have a material change upon renewal or extension shall be included in the monthly report required under § 19-61-210 instead of being submitted to the Legislative Council or the Joint Budget Committee for review under this subsection.

(ii) As used in this subdivision (a)(4), "material change" includes without limitation:

(a) An increase in the contract amount;

(b) An increase in the total projected contract amount;

(c) A change in any of the essential terms of the contract;

(d) A change in any performance-based standards stated in the contract;

(e) The imposition of financial consequences as the result of a failure to satisfy performance-based standards under § 19-61-517 during the year preceding the renewal or extension of the contract; and

(f) The submission of a vendor performance report during the year preceding the renewal or extension of the contract.

(B) However, a state agency may elect to submit a contract for review under this subsection if the state agency is uncertain whether the contract has a material change.

(5) A contract that is submitted for review under this subsection and that has a total projected contract amount of at least three hundred fifty thousand dollars ($350,000) shall have a cover sheet that provides the following information:

(A) A description of the services being procured;

(B) A description of the procurement process followed, including without limitation the method used for the procurement; and

(C) The outcome of any protests.

(b) The Legislative Council or the Joint Budget Committee may review or exempt from review any contract or group of contracts contemplated by this section.

(c) A contract that is procured by a state agency that has a state agency procurement official or procurement authority under a delegation order is subject to the presentment requirements under this section.

(d) It is a violation of state procurement laws, Arkansas Code Title 19, Subtitle 4, for a state agency official to procure services in an incremental or split purchase arrangement to avoid the presentment requirements of this section.

19-61-117. Rules.

(a)(1) The State Procurement Director shall adopt rules in accordance with the applicable provisions of this chapter and of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(2) A rule promulgated by the director under this chapter is not effective until the rule is:

(A) Submitted to and reviewed by the Review Subcommittee of the Legislative Council; and

(B) Reviewed and approved by the Legislative Council under § 10-3-309.

(b) A rule shall not change any commitment, right, or obligation of the state or of a contractor under a contract in existence on the effective date of the rule.

(c)(1) A clause that is required by rule to be included is not incorporated by operation of law in any state contract without the consent of both parties to the contract to the incorporation.

(2) The parties to the contract may give such consent to incorporation by reference at any time after the contract has been entered into and without the necessity of consideration passing to either party.

Subchapter 2 — Office of State Procurement — State Procurement Director

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) Shall procure or supervise the procurement of all commodities and services for each state agency not having an agency procurement official and, when requested to do so by such an official, procure commodities and services not otherwise under state contract;

(2) Shall manage and establish internal procedures for the office;

(3) Shall sell, trade, or otherwise dispose of surplus commodities belonging to the state;

(4) May establish and maintain programs for the inspection, testing, and acceptance of commodities and services;

(5) Shall establish and manage a list of vendors desiring written notice of invitations for bid;

(6) May establish, by rule, a fee for receiving a written or electronic notice of invitations for bid;

(7) Shall ensure compliance with this chapter and implementing rules by reviewing and monitoring procurements conducted by any designee, department, agency, or official delegated authority under this chapter;

(8) Shall create a roster of expiring contracts entered into by a state agency for which there is no new requisition;

(9) Shall analyze information captured in state systems to measure and track the contract routing process to identify stakeholders that may be contributing to the elongation of the contracting process;

(10) Shall ensure that vendor performance reports are available to and searchable by state agencies;

(11) Shall provide for enhanced training on the drafting of specifications for procurements;

(12) Shall maintain records of bids and proposals that are rejected by the office for failure to adhere to the mandatory requirements of a solicitation;

(13) Upon the written request of a state agency or an actual or prospective bidder, offeror, or contractor, may declare his or her administrative interpretation of any provision of this chapter and issue an advisory opinion regarding the construction and application of the provision; and

(14) May negotiate and enter into a nonmandatory state contract with retailers for special prices or rates for commodities or services, or

both, for the benefit of public procurement entities, independent of the source selection methods in §§ 19-61-502 and 19-61-505, if the contractor agrees to provide the commodities or services, or both, subject to the contract at either the standard retail price or a discounted price.

19-61-204. Assistants and designees — Written delegation orders.

(a) Subject to the Uniform Classification and Compensation Act, § 21-5-201 et seq., and the approval of the Secretary of the Department of Transformation and Shared Services, the State Procurement Director may:

(1) Employ and supervise such assistants and other persons as may be necessary and fix their compensation as provided by law; and

(2)(A) Delegate authority to designees or to a state agency by issuing a written delegation order, within the limitations of state law and the state procurement rules.

(B) A written delegation order issued under this section shall:

(i) Include an expiration date for the written delegation order;

(ii) Be publicly posted on the official website of the Office of State Procurement;

(iii) Remain in effect under the original terms unless the terms of the written delegation order are modified or rescinded in writing by the director;

(iv) Not be issued for a term that exceeds two (2) years; and

(v) Be narrowly tailored if the written delegation order is based on the type of commodity or service being procured.

(C) The director shall maintain records of each written delegation order issued under this section.

(D) A person who is to be given authority under a written delegation order issued under this section shall complete training on state procurement laws, as provided for in this chapter and in the rules adopted by the director, before the written delegation order is issued.

(b) The director shall adopt rules to:

(1) Implement the requirements for written delegation orders under this section; and

(2) Outline the procurement training required under this section.

19-61-205. Legal counsel — Contract review.

(a) The Attorney General shall act as counsel for the State Procurement Director in preparation of necessary contracts and in all legal matters.

(b)(1) A contract that the director has designated as requiring review shall be reviewed by a person employed as an attorney with a state agency.

(2) The review required under this subsection shall occur before the contract is executed.

(c) The director shall adopt rules to implement this section, including without limitation rules to:

(1) Designate contracts that require review under this section, which may include without limitation contracts that:

(A) Exceed a certain dollar amount;

(B) Modify the standard state terms and conditions; and

(C) Are based on other stated criteria; and

(2) Identify the requirements for the attorneys who may review contracts under this section, including without limitation:

(A) An attorney employed with the Office of State Procurement, an institution of higher education, or the Office of the Attorney General; and

(B) Any other attorney employed by the state and licensed to practice law in Arkansas.

19-61-206. Exclusive jurisdiction over procurement — Definitions.

(a) The State Procurement Director has exclusive jurisdiction over the procurement of:

(1) Items subject to Arkansas Constitution, Amendment 54;

(2) Wholesale gasoline, oil, and related products;

(3) Tires;

(4)(A) Passenger motor vehicles and trucks, except highway construction and highway maintenance equipment, any specialized type of equipment used in highway construction, or a motor vehicle purchased under § 6-21-307, except as otherwise provided in this chapter.

(B) The director may issue a request for qualifications for the procurement of passenger motor vehicles and trucks to compile a qualified vendor list that includes vendors in multiple areas of the state;

(5) Paper products;

(6) New and used school buses for state agencies;

(7) A purchasing card program and travel card program to include implementation and administration; and

(8) An electronic commerce procurement solution to include planning and administration consistent with the established financial systems of the state.

(b) As used in this section:

(1) "Printing" means the process of transferring images, by the use of standard industrial type printer ink, upon documents such as letterhead, envelopes, pamphlets, booklets, and forms;

(2) "Stationery" means imprinted letterhead and envelopes used by the General Assembly and other departments of state government to identify an individual department, agency, board, commission, etc.; and

(3) "Supplies" means paper and inks used to produce stationery.

19-61-207. Commodities, technical and general services, and professional and consultant services under state contract.

(a)(1) In addition to establishing a state contract for those commodities, technical and general services, and professional and consultant services within the exclusive jurisdiction of the State Procurement Director under § 19-61-206, the director may award a mandatory state contract for other commodities, technical and general services, and professional and consultant services when the director determines that combining the collective purchasing power of the state would be beneficial to the state.

(2) The director shall submit a mandatory state contract that is not for commodities or services within the exclusive jurisdiction of the director to the Legislative Council or, if the General Assembly is in session, to the Joint Budget Committee, for review.

(b)(1) Unless an exemption is approved by the director under subdivision (b)(2) of this section, a state agency that requires commodities, technical and general services, and professional and consultant services that are under a mandatory state contract shall procure these commodities,

technical and general services, and professional and consultant services exclusively under the mandatory state contract.

(2)(A) Except as provided in § 19-61-508, the director may approve an exemption from a mandatory state contract awarded under this section only if the state agency demonstrates that substantial savings will likely be effected by purchasing outside of the mandatory state contract.

(B)(i) Approval of an exemption from a mandatory state contract under this section shall be in writing.

(ii) Denial of a request for an exemption from a mandatory state contract under this section is not required to be in writing.

(c) All contracts concerning commodities, technical and general services, and professional and consultant services shall disclose a projected total cost, including without limitation expenditures that may be incurred under all available periods of extension if the extensions were executed.

(d) The director shall:

(1) Identify and prioritize opportunities for awarding mandatory state contracts under this section;

(2) Conduct mandatory state contract procurements under this section that would produce savings for the state;

(3) Attempt to invite the participation of the potentially affected state agencies in the development and evaluation of a mandatory state contract procurement;

(4) Post notice of his or her intent to procure a mandatory state contract on the official website of the Office of State Procurement; and

(5)(A) Promote the use of mandatory state contracts among county and city governments, including without limitation making information about the mandatory state contracts readily available and searchable.

(B) The director shall adopt rules to include any necessary conditions, reporting, or document retention standards related to the director's duty to promote mandatory state contract use under this subsection.

19-61-208. Recommendations.

(a) The State Procurement Director shall maintain a close and cooperative relationship with the using agencies.

(b)(1) The director shall afford each using agency reasonable opportunity to participate in and make recommendations with respect to matters affecting the using agency.

(2) At any time, a using agency may make recommendations to the director, and the director may make recommendations to a using agency.

(3) The Secretary of the Department of Transformation and Shared Services may make recommendations to the director.

19-61-209. Statistical data.

The State Procurement Director and the Secretary of the Department of Transformation and Shared Services shall cooperate with the Division of Budgets and Accounting in the preparation of statistical data concerning the procurement and disposition of all commodities and services, unless otherwise provided in this chapter.

19-61-210. Reporting requirements.

(a) The State Procurement Director shall compile a monthly report of all executed contracts for services that have a total initial contract amount or a total projected contract amount, including any amendments or possible extensions, of at least twenty-five thousand dollars ($25,000) but less than:

(1) An annual contract amount of fifty thousand dollars ($50,000) in any one (1) contract year; or

(2) A total projected contract amount, including any amendments or possible extensions, of three hundred fifty thousand dollars ($350,000).

(b) A contract that is procured by a state agency that has a state agency procurement official or procurement authority under a delegation order is subject to the reporting requirements under this section.

(c) The State Procurement Director shall adopt rules to:

(1) Prescribe a cover sheet for the report required under this section that sorts and identifies contracts within the report that may be candidates for review;

(2) Create instructions for completing the cover sheet prescribed under subdivision (c)(1) of this section; and

(3) Provide for the identification of any contracts included in the report that may need to be reviewed under § 19-61-116.

(d) It is a violation of state procurement laws, Arkansas Code Title

19, Subtitle 4, for a state agency official to procure services in an incremental or split purchase arrangement to avoid the reporting requirements of this section.

Subchapter 3 — State Agencies — Agency Procurement Officials

19-61-301. Agency procurement officials.

(a) In addition to any state agency authorized by rule to have an agency procurement official, each of the following state agencies may elect to have such an official for commodities, technical and general services, and professional and consultant services, that are not within the exclusive jurisdiction of the State Procurement Director and that are not under state contract:

(1) Arkansas Department of Transportation;

(2) Arkansas State University-Beebe;

(3) Arkansas State University;

(4) Arkansas State University system;

(5) Arkansas Tech University;

(6) Henderson State University;

(7) Southern Arkansas University;

(8) University of Arkansas at Fayetteville;

(9) University of Arkansas Fund entities;

(10) University of Arkansas at Little Rock;

(11) University of Arkansas at Monticello;

(12) University of Arkansas at Pine Bluff;

(13) University of Arkansas for Medical Sciences;

(14) University of Central Arkansas;

(15) Arkansas State University-Mountain Home;

(16) Arkansas State University-Newport;

(17) Black River Technical College;

(18) Cossatot Community College of the University of Arkansas;

(19) East Arkansas Community College;

(20) National Park College;

(21) Arkansas Northeastern College;

(22) Arkansas State University Mid-South;

(23) North Arkansas College;

(24) Northwest Arkansas Community College;

(25) Arkansas State University Three Rivers;

(26) Ozarka College;

(27) Phillips Community College of the University of Arkansas;

(28) University of Arkansas Community College at Morrilton;

(29) University of Arkansas – Pulaski Technical College;

(30) University of Arkansas Community College at Rich Mountain;

(31) SAU-Tech;

(32) Southeast Arkansas College;

(33) South Arkansas College;

(34) University of Arkansas Community College at Batesville;

(35) University of Arkansas Community College at Hope-Texarkana;

(36) University of Arkansas at Fort Smith; and

(37) Division of Higher Education.

(b)(1) Each official shall manage and establish internal procedures for the procurement office of the state agency authorized to have the official to ensure adequate administrative procedures and controls pursuant to law and the procurement rules.

(2)(A) Approval by the Office of State Procurement of contracts administered by the official shall not be required, unless a determination has been made by the Secretary of the Department of Transformation and Shared Services that administrative procedures and controls are not adequate.

(B)(i) Such a determination shall result in notification by the secretary of the specific deficiencies and the reasons therefor.

(ii) After the notification, approval of contracts by the Office of State Procurement shall be required until the secretary determines that the deficiencies have been corrected.

(c) Except for the promulgation by the director of rules authorized in this chapter and the letting of state contracts, all rights and practices granted in this chapter to the Office of State Procurement and the director are granted to an official in the administration of contracts for the state agency authorized to have the official.

(d) This section does not prohibit a state agency from utilizing the Office of State Procurement in the same manner as state agencies not authorized to have officials.

19-61-302. Agency procurement official for Division of Correction.

(a) In addition to those agencies, institutions, and departments of state government enumerated in § 19-61-301 that may elect to have agency procurement officials for commodities, technical and general services, and professional and consultant services that are not within the exclusive jurisdiction of the State Procurement Director, that are not under state contract, and which are not procured in accordance with § 19-61-506, the Division of Correction and the Division of Community Correction may have such officials for the sole purpose of procuring perishable food items, who shall possess all powers, functions, and duties as authorized for agency procurement officials under this chapter with respect to perishable food items only.

(b)(1) The officials of the Division of Correction and the Division of Community Correction have exclusive authority to procure perishable food items in accordance with applicable administrative procedures and controls established pursuant to this chapter and the procurement rules.

(2) Except as noted in this subsection and in subsection (c) of this section, the officials of the Division of Correction and the Division of Community Correction are subject to all other provisions and requirements of this chapter and administrative procedures controls and procurement rules provided in or promulgated pursuant to this chapter.

(c)(1)(A) The Board of Corrections, annually, and at more frequent intervals if deemed necessary, shall make studies and determine whether it would be in the best interest of the management of the farm croplands at the farm units or at each of the separate farm units of the Division of Correction to provide for the lease of farm machinery and equipment, or certain items thereof, required for the production of farm crops, or whether it would be in the better interest of the Division of Correction to acquire such items of farm machinery and equipment by purchase.

(B)(i) Upon conclusion of the study, the board, by resolution adopted by a majority of the members of the board at a regular or special meeting, may authorize the agency procurement official for the Division of Correction to advertise for bids for the leasing of farm equipment or for the purchase of the items of farm equipment noted in the resolution.

(ii)(a) A lease of farm equipment shall not be for

more than two (2) years nor extend beyond June 30 of the fiscal biennium for which current funds have been appropriated for the operation of the Division of Correction.

(b) However, this section does not prohibit the lease from including provisions, terms, or conditions upon which the lease may be renewed for an additional period of time, not exceeding two (2) years, at the option of the board.

(2)(A) If the board determines to provide for the leasing of farm machinery or equipment necessary in the farming operations of the Division of Correction, the official of the Division of Correction shall be the exclusive purchasing agent for advertising of bids and awarding of contracts for the leases, subject to the approval of the Director of the Division of Correction and the board.

(B) In the advertising for bids and the awarding of contracts, the state laws, procurement procedures, and rules shall be complied with in awarding the contracts.

(C)(i) The board is not required to award the contract for the furnishing of farm machinery and equipment under a lease agreement to the lowest bidder, unless the board determines that the awarding of the contract to the lowest bidder would be in the best interest of the farming operations of the Division of Correction.

(ii) In that event, the board may award the contract to the bidder whose bid proposal is deemed by the board to be in the better interest of the farming operations of the Division of Correction.

(D) In making a determination under subdivision (c)(2)(C) of this section, the board shall consider without limitation the following factors:

(i) The type of equipment to be furnished;

(ii) Compatibility of the equipment with the training and experience of the farm managers and employees of the Division of Correction and the experience and skills of the inmates who will be using the equipment;

(iii) Provisions contained in the bid proposal providing for maintenance, repair, and service and upkeep of the equipment during the lease period, availability of the service and repair facilities, and source of replacement or repair parts;

(iv) The age and condition of the equipment to be leased; and

(v) Such other factors as the board deems essential to performance under the contract and dependability and reliability of the equipment to be furnished during the period of the lease.

(3)(A)(i) In determining the items of farm machinery and equipment to be acquired by purchase, the board may designate, if the board determines it to be within the better interest of the management of farm croplands of the Division of Correction, those items of farm machinery and equipment to be purchased.

(ii) The board may restrict the bid to equipment produced by no fewer than two (2) manufacturers of each item of equipment.

(B) In making a determination under subdivision (c)(3)(A) of this section, the board shall include without limitation a consideration of the following factors:

(i) The types of farm machinery equipment now being used by the Division of Correction and the experience gained by the Division of Correction in the use of the equipment for the purposes for which it is being purchased;

(ii) Availability of service and replacement and spare parts for the equipment;

(iii) Familiarity with the equipment of the employees or inmates responsible for the maintenance, repair, and upkeep thereof;

(iv) Compatibility of the farm machinery and equipment with repair and maintenance shop facilities available at the Division of Correction;

(v) Access to the dealer responsible for warranty service; and

(vi) Such additional factors as the board deems pertinent to the better interests of the management and operation of the farm crop lands of the Division of Correction.

(C)(i) All purchases of farm machinery and equipment shall be in accordance with the applicable state procurement laws and rules promulgated under the applicable state procurement laws.

(ii) Contracts for the providing or furnishing of

service, repair, and replacement parts of farm machinery and equipment may include provision for the furnishing of a stated quantity of replacement and spare parts to be stored at the Division of Correction or may include contract prices for major or standard items of service or for the furnishing of replacement and spare parts at stated prices, which shall be at a discount from the published dealer price list, as the board may deem in the best interest of the Division of Correction.

(iii) As an alternative, the board may elect to authorize the official to acquire replacement and spare parts on a need basis by following the applicable state procurement procedure in the acquisition of each item thereof as needed.

(4)(A) The official of the Division of Correction acting under the instruction and direction of the board and the Director of the Division of Correction shall be the sole and exclusive purchasing agent for the acquisition of:

(i) Farm machinery and equipment, whether by lease or purchase;

(ii) Repair services for farm machinery and equipment and repair and replacement parts for farm machinery and equipment in the manner set forth in this section; and

(iii) Those items covered in subsection (b) of this section.

(B) This section does not prohibit the Division of Correction from requesting the State Procurement Director to make available the services of the Office of State Procurement in the acquisition of any item for which the official of the Division of Correction is the exclusive purchasing agent under this section.

19-61-303. Interest and carrying charges.

State agencies, including exempt agencies, may enter into contracts that contemplate the payment of interest and late charges, but only when such late charges are incurred sixty (60) days after payment is due or carrying charges under such rules as may be promulgated by the State Procurement Director.

19-61-304. Training and certification of procurement personnel.

(a) The State Procurement Director shall establish a training and certification program to facilitate the training, continuing education, and certification of state agency procurement personnel.

(b) As part of the training and certification program required under this section, the director:

(1) Shall conduct procurement education and training for state agency employees and other public employees;

(2)(A) Shall establish a tiered core curriculum that outlines the minimum procurement-related training courses a state agency employee is required to complete for certification.

(B) The tiered core curriculum required under subdivision (b)(2)(A) of this section shall:

(i) Be designed to develop procurement competency; and

(ii) Create a uniform training approach for state agency employees ranging from entry-level procurement personnel to agency procurement officials;

(3) May charge a reasonable fee for each participant to cover the cost of providing the training required under this section;

(4) May conduct, develop, and collaborate with established training programs, if any, for the purpose of providing certifications of proficiency to state agency employees who complete the training and certification program;

(5) May conduct research into existing and new procurement methods; and

(6) May establish and maintain a state procurement library.

(c)(1) A state agency employee shall not conduct a procurement under this chapter unless the state agency employee is certified through the training and certification program required under this section.

(2) To maintain certification under this section, a state agency employee shall complete a reasonable number of hours of continuing education, as provided for by rule by the director.

(d)(1) The director shall revoke the certification of a state agency employee who is certified under this section and who is determined to have knowingly violated state procurement laws, Arkansas Code Title 19, Subtitle 4.

(2) The director shall adopt rules regarding the procedure for revoking a state agency employee's certification under this section.

19-61-305. Solicitation conferences.

(a)(1) A state agency may hold a solicitation conference before or after issuing an invitation for bids, a request for proposals, or a request for qualifications under § 19-65-101 et seq.

(2) A solicitation conference may be held:

(A) In person; or

(B) Online or in another virtual format.

(b) Attendance by a vendor at a solicitation conference is not required for that vendor's bid, proposal, or statement of qualifications to be accepted unless the attendance requirement is:

(1) Explicitly stated in the invitation for bids, request for proposals, or request for qualifications; and

(2) Approved by the State Procurement Director or the head of the procurement agency.

(c) A state agency holding a solicitation conference shall:

(1) For an invitation for bids or a request for proposals, include the date and time of the solicitation conference in the notice required under § 19-61-505;

(2) Require vendors in attendance at a solicitation conference to sign in at the solicitation conference or provide a registration record for an online or other virtual solicitation conference, regardless of whether attendance is required under the solicitation; and

(3) Maintain the sign-in sheet or registration records with the other documents related to the solicitation.

(d) A statement made at a solicitation conference does not change the invitation for bids, request for proposals, or request for qualifications unless a change is made by written amendment to the invitation for bids, request for proposals, or request for statements of qualifications.

(e) A state agency is encouraged to hold a solicitation conference for a procurement that:

(1) Has a contract amount of at least:

(A) Five million dollars ($5,000,000) for a single contract year; or

(B) Thirty-five million dollars ($35,000,000) for the total anticipated term of the contract, including any extensions, based on the previous contract for the same commodities or services or, if a previous contract is not available, a contract for similar commodities or services; or

(2) Is of strategic importance to the state.

Subchapter 4 — Vendors — Contractors — Bidders

19-61-401. Responsibility of bidders and offerors.

(a)(1) A determination of nonresponsibility of a bidder or offeror shall be made in accordance with rules promulgated by the State Procurement Director.

(2) A reasonable inquiry to determine the responsibility of a bidder or offeror may be conducted.

(3) The unreasonable failure of a bidder or offeror to promptly supply information in connection with such an inquiry may be grounds for a determination of nonresponsibility with respect to such bidder or offeror.

(4) If a bidder or offeror is determined to be nonresponsible, the reasons therefor shall be included in the determination.

(b)(1) Except as otherwise provided by law, information furnished by a bidder or offeror pursuant to this section shall not be disclosed outside of the Office of State Procurement or the procurement agency without prior written consent by the bidder or offeror.

(2) This section is not intended to prohibit the office from disclosing such information to the Governor, the Attorney General, or the Secretary of the Department of Transformation and Shared Services when any of those officers deems it necessary.

(c) The director or the agency procurement official may require the posting of a bid bond, a performance bond, or a similar assurance by any actual or prospective bidder, offeror, or contractor, under rules promulgated under this chapter.

19-61-402. Prequalification of suppliers.

(a)(1) The State Procurement Director may provide for prequalification of suppliers as responsible prospective contractors for particular types of commodities, technical and general services, and professional and consultant

services.

(2) Solicitation mailing lists of potential contractors shall include without limitation such prequalified suppliers.

(b) Prequalifications shall not foreclose a written determination:

(1) Between the time of the bid opening or receipt of offers and making of an award that a prequalified supplier is not responsible; or

(2) That a supplier who is not prequalified at the time of bid opening or receipt of offers is responsible.

19-61-403. Reporting of suspected collusion — Definition.

(a) As used in this section, "collusion" means cooperation in the restraint of free and open competition in a public procurement, including without limitation:

(1) Price fixing;

(2) Bid rigging;

(3) Customer or market allocation;

(4) Misrepresenting the independence of the relationship between colluding parties; and

(5) Exerting improper influence on public officials to obtain advantage in a public procurement, including without limitation:

(A) Offering bribes or kickbacks;

(B) Extortion; and

(C) Fraudulent misrepresentation.

(b) When for any reason collusion is suspected among any bidders or offerors, a written notice of the relevant facts shall be transmitted to the Attorney General.

(c)(1) All documents involved in a procurement in which collusion is suspected shall be retained until the Attorney General gives notice that they may be destroyed.

(2) All retained documents shall be made available to the Attorney General or a designee upon request and proper receipt of the request.

(d) Collusion is cause for:

(1) Debarment from consideration for award of a contract under § 19-61-702; and

(2) Suspension from consideration for award of a contract if

there is probable cause for suspecting collusion as determined by the Attorney General or the State Procurement Director.

19-61-404. Vendor training and polling.

The Office of State Procurement shall:

(1)(A) Develop and deliver vendor training to inform interested vendors of how to do business with the state.

(B) The training required under subdivision (1)(A) of this section shall:

(i) Be offered throughout the state; and

(ii) Be delivered as training sessions in person and online or in another virtual format; and

(2) Periodically poll vendors that have been successful in securing business with the state and vendors that have not been successful in securing business with the state to solicit procurement feedback that can be used to improve vendor training.

19-61-405. Submission of contracts with members of General Assembly required.

(a) All contracts with a member of the General Assembly, his or her spouse, or with any business in which a member of the General Assembly or his or her spouse is an officer, a director, or a stockholder owning more than ten percent (10%) of the stock in the business shall be presented to the Legislative Council or to the Joint Budget Committee, if the General Assembly is in session, before the execution date of the contract.

(b) The Legislative Council or the Joint Budget Committee shall provide the State Procurement Director and the Director of the Arkansas Ethics Commission with its review as to the propriety of the contract, including without limitation whether the agency properly complied with the procurement process and whether the contract represents an improper conflict of interest between the member of the General Assembly and the agency, within thirty (30) days after receipt of the proposed contract.

(c) The contract shall not be submitted to the Legislative Council or to the Joint Budget Committee until the Department of Transformation and Shared Services has reviewed the contract and provided the Legislative Council or the Joint Budget Committee with a recommendation regarding the

legality of the contract.

19-61-406. Vendor performance reporting.

(a)(1) A state agency shall report a vendor's performance under a contract executed under this subtitle if the vendor fails to satisfy the performance-based standards stated in the contract in a manner that represents a material deviation.

(2) A state agency shall use a form prescribed by the State Procurement Director and approved by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, to report a vendor's performance under this section.

(b) The report required under this section shall be:

(1) Filed with the Office of State Procurement and maintained for a minimum of three (3) years from the termination of the relevant contract, including any extensions and amendments;

(2) Signed by the director of the state agency or his or her designee; and

(3) Filed monthly until the vendor has performed satisfactorily under the contract for a period of at least ninety (90) consecutive days.

(c) A state agency may report a vendor's performance in the manner prescribed under this section for any contract that would not require reporting of a vendor's performance under this section if the state agency encounters an issue with the vendor's performance of a contract.

(d) A state agency may use a vendor performance report submitted under this section to evaluate an offeror to the extent that the past performance of an offeror may be considered under the law and the rules adopted by the office.

19-61-407. Experience requirement — Findings.

(a)(1) The General Assembly finds that:

(A) An invitation for bids, a request for proposals, and a request for qualifications often require that bidders and offerors have a certain amount of experience to qualify;

(B) These experience requirements often apply to the business of the bidder or offeror rather than the key personnel of the bidder or offeror;

(C) As a result, new businesses with highly qualified personnel often do not qualify to compete for state contracts even though the executives and employees of the business have the experience required; and

(D) It is in the best interests of the state to encourage new businesses and to seek out the most qualified people to provide products and services to the state.

(2) The General Assembly intends for this section to:

(A) Encourage entrepreneurship;

(B) Level the playing field for new businesses to compete for business opportunities; and

(C) Enable new businesses with highly qualified personnel to compete for state contracts.

(b) If an invitation for bids, a request for proposals, or a request for qualifications under this subtitle requires a certain amount of experience or a certain number of years in existence for the bidder or offeror, the requirement shall be satisfied by either:

(1)(A) The amount of experience of the bidder or offeror.

(B) A bidder or offeror may use the combined experience of its owners or senior executive staff to satisfy the requirement under subdivision (b)(1)(A) of this section; or

(2) The combined amount of experience of the key personnel of the bidder or offeror that will be responsible for satisfying the requirements of the contract to be procured.

(c)(1) However, before the issuance of an invitation for bids, a request for proposals, or a request for qualifications, the Office of State Procurement or a procurement agency may determine in writing that the combined experience of the key personnel of a bidder or offeror under subdivision (b)(2) of this section would be insufficient to adequately satisfy the requirements of the invitation for bids, request for proposals, or request for qualifications.

(2) A written determination under subdivision (c)(1) of this section shall include the following:

(A) A specific description of the products or services that the Office of State Procurement or procurement agency seeks to procure; and

(B) A detailed statement of the reasons the combined

experience of the key personnel of a bidder or offeror would be insufficient.

19-61-408. Procurements for services in designated positions and designated financial and information technology positions.

A contract for services with a person employed or entity employing persons in a designated position or designated financial or information technology position as defined in § 21-15-101 shall require compliance with the registry records check and criminal history records check laws under § 21-15-101 et seq.

19-61-409. Compliance.

(a) A contractor shall ensure, in cooperation with a state agency, that the contract between the contractor and the state agency adheres to the requirements of this subtitle, including without limitation the inclusion of any mandatory language and the submission of the contract for any required review.

(b) The signature of a contractor on a contract with a state agency serves as an acknowledgement that the contractor is:

(1) Equally responsible with the state agency for adhering to the requirements of this subtitle related to the content and review of the contract; and

(2) Subject to the relevant ethical provisions of § 19-64-101 et seq.

19-61-410. Cancellation of contract on entry of final business closure order — Definition.

(a) As used in this chapter, “final business closure order” means a business closure order for which a contractor has either:

(1) Waived further administrative review under § 26-18-1001 et seq.; or

(2) Exhausted all remedies to appeal under § 26-18-1001 et seq.

(b) The Revenue Division of the Department of Finance and Administration shall provide to the Office of State Procurement all final business closure orders entered into against a contractor.

(c) Upon receipt of a final business closure order, the office shall, as soon as reasonably practicable:

(1) Notify each state agency with which the contractor has a contract that the:

(A) Contractor is subject to a final business closure order; and

(B) Provision of any goods or services, or both, under a contract with the contractor that is subject to a final business closure order shall cease as soon as reasonably practicable; and

(2) Notify all state agencies that the contractor that is subject to a final business closure order shall not be awarded or maintain a contract with a state agency unless the office provides notice under subsection (d) of this section.

(d) Upon receipt of information that a contractor has resolved a business closure, the office shall notify all state agencies, as soon as reasonably practicable, that:

(1) Any unexpired contracts with the contractor may continue if the contract was not terminated, cancelled, suspended, or discontinued; and

(2) The contractor may be awarded or maintain a contract with a state agency.

Subchapter 5 — Source Selection and Contract Formation

19-61-501. Definitions concerning source selection and contract formation.

As used in this chapter:

(1) “Competitive bidding” means a method of procurement that requires obtaining bids by:

(A) Direct mail request to prospective bidders and obtaining written bids;

(B) Telephone;

(C) Telegraph;

(D) Written form; or

(E) Electronic media;

(2) “Competitive sealed bidding” means a method of procurement that requires:

(A) Issuance of an invitation for bids with a purchase description and all contractual terms and conditions applicable to the

procurement;

(B) Public, contemporaneous opening of bids at a predesignated time and place;

(C) Unconditional acceptance of a bid without alteration or correction, except as authorized in §§ 19-61-401 — 19-61-403, 19-61-502 — 19-61-508, and 19-61-511 — 19-61-513;

(D) Award to the responsive and responsible bidder who has submitted the lowest bid that meets the requirements and criteria set forth in the invitation for bids; and

(E) Public notice;

(3) "Competitive sealed proposals" means a method of procurement that involves without limitation:

(A) Solicitation of proposals through a request for proposals;

(B) Submission of cost or pricing data from the offeror where required;

(C) Discussions with responsible offerors whose proposals have been determined to be reasonably susceptible to being selected for award; and

(D) An award made to the responsible offeror whose proposal is determined in writing to be the most advantageous considering price and evaluation factors set forth in the request for proposals;

(4) "Emergency procurement" means the acquisition of commodities or services, that if not immediately initiated, will endanger human life or health, state property, or the functional capability of a state agency;

(5) "Established catalogue price" means the price included in a catalogue, price list, schedule, or other form that:

(A) Is regularly maintained by a manufacturer or contractor;

(B) Is either published or otherwise available for inspection by customers; and

(C) States prices at which sales are currently or were last made to a significant number of buyers constituting the general buying public for the commodities or services involved;

(6) "Invitation for bids" means all documents or electronic media, whether attached or incorporated by reference, utilized for soliciting

bids in accordance with the procedures set forth in § 19-61-505, which refers to competitive sealed bidding;

(7) "Multiple award contracts" means a method of procurement whereby an indefinite quantity contract is awarded to more than one (1) supplier for furnishing a like item or category of items;

(8) "Purchase description" means specifications or any other document or electronic media describing the commodities or services to be procured;

(9) "Request for proposals" means all documents or electronic media, whether attached or incorporated by reference, utilized for soliciting proposals in accordance with the procedures set forth in § 19-61-506, which refers to competitive sealed proposals, § 19-61-503, which refers to small procurements, § 19-61-507, which refers to proprietary or sole source procurements, § 19-61-508, which refers to emergency procurements, or § 19-61-504, which refers to competitive bidding;

(10)(A) "Request for qualifications" means a solicitation document requiring submittal of qualifications or specialized expertise in response to the scope of work or services required and does not require pricing.

(B) Other than as provided in § 19-65-101 et seq., the request for qualifications process may only be used when, under rules promulgated by the State Procurement Director, the director determines in writing that the request for qualifications process is warranted;

(11) "Responsible bidder or offeror" means a person who has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance;

(12) "Responsive bidder" means a person who has submitted a bid under § 19-61-505, which refers to competitive sealed bidding, that conforms in all material respects to the invitation for bids, including the specifications set forth in the invitation; and

(13)(A)(i) "Small procurements" means a procurement not exceeding a purchase price of twenty thousand dollars ($20,000).

(ii) Small procurements may be procured without seeking competitive bids or competitive sealed bids.

(iii) However, competition should be used to the maximum extent practicable.

(B) Items under state contract are excluded.

19-61-502. Methods of source selection.

Unless otherwise authorized by law, all contracts shall be awarded by competitive sealed bidding, pursuant to § 19-61-505, which refers to competitive sealed bidding, except as provided in:

(1) Section 19-61-506, which refers to competitive sealed proposals;

(2) Section 19-61-503, which refers to small procurements;

(3) Section 19-61-507, which refers to proprietary or sole source procurements;

(4) Section 19-61-508, which refers to emergency procurements;

(5) Section 19-61-504, which refers to competitive bidding;

(6) Section 19-61-509, which refers to multiple award contracts; or

(7) Section 19-61-510, which refers to special procurements.

19-61-503. Small procurements.

(a) Any procurement not exceeding the amount under § 19-61-501(13), which refers to small procurements, may be made in accordance with this section and the small procurement procedures promulgated by the State Procurement Director.

(b)(1) However, procurement requirements shall not be artificially divided so as to constitute a small procurement under this section.

(2) The prohibition stated in subdivision (b)(1) of this section includes without limitation purchasing commodities or services, or both, from more than one (1) vendor owned by the same person or entity if the aggregate amount of the purchases from the vendors owned by the same person or entity exceeds the amount stated in subsection (a) of this section.

(c) A state agency shall not provide information to a vendor regarding the amount the state agency is willing to pay for commodities or services, or both, before receiving a quote from the vendor for the amount the vendor would charge for the commodities or services, or both.

19-61-504. Competitive bidding.

(a) A competitive bid form authorized by the State Procurement

Director shall be completed for competitive bidding.

(2) If three (3) competitive bids are not obtained on purchases when competitive bids are required, the competitive bid form must show the names of at least three (3) firms contacted in attempting to obtain competition or show the reason three (3) firms were not contacted.

(3)(A) Only firms that sell the type of commodity or service to be procured shall be contacted for competitive bidding.

(B) The purchase procedures outlined in this section shall not apply to commodities, technical and general services, and professional and consultant services under state contract.

(b)(1) Contracts in which the purchase price exceeds twenty thousand dollars ($20,000) and is less than or equal to seventy-five thousand dollars ($75,000) may be awarded by use of competitive bidding procedures.

(2) However, in instances under subdivision (b)(1) of this section, competitive sealed bidding is permitted.

(c)(1)(A) All procurements under this section shall be awarded to the responsive and responsible bidder who has submitted the lowest bid that meets the requirements, criteria, and specifications.

(B) Delivery time required shall be reasonable and consonant with current industry norms.

(2) Complete justification shall be given if an award is made to a bidder other than the low bidder.

(d) Repeated small quantity procurements to circumvent the competitive bid limits or failure to obtain competitive bids without justification shall constitute a violation of competitive bidding procedures and shall result in withdrawal of the state agency's competitive bid privileges.

19-61-505. Competitive sealed bidding.

(a)(1) Contracts exceeding an estimated purchase price of seventy-five thousand dollars ($75,000) shall be awarded by competitive sealed bidding unless a determination is made in writing by the agency procurement official or the State Procurement Director that this method is not practicable and advantageous and specifically states the reasons that this method is not practicable and advantageous.

(2) The director may provide by rule that it is not practicable to procure specified types of commodities, technical and general services, or

professional and consultant services by competitive sealed bidding.

(3) Factors to be considered in determining whether competitive sealed bidding is not practicable shall include whether:

(A) Purchase descriptions are suitable for award on the basis of the lowest evaluated bid price; and

(B) The available sources, the time and place of performance, and other relevant circumstances are appropriate for the use of competitive sealed bidding.

(b) When it is considered impractical to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced technical proposals to be followed by an invitation for bids limited to those bidders whose technical proposals meet the requirements set forth in the first invitation for bids.

(c) Notice inviting bids shall:

(1) Be given not fewer than five (5) calendar days nor more than ninety (90) calendar days preceding the date for the opening of bids by publishing the notice at least one (1) time in at least one (1) newspaper having general circulation in the state or posting by electronic media, but in all instances, adequate notice shall be given;

(2) Include a general description of the commodities, technical and general services, or professional and consultant services to be procured;

(3) State where invitations for bids may be obtained;

(4) State the date, time, and place of bid opening; and

(5) State the time, date, and place of the solicitation conference if a solicitation conference is to be held before the opening of bids to provide information to prospective bidders.

(d) Bids shall be opened publicly in the presence of one (1) or more witnesses at the time and place designated in the invitation for bids. Each bid, together with the name of the bidder, shall be recorded and open to public inspection.

(e)(1)(A) Bids shall be evaluated based on the requirements set forth in the invitation for bids.

(B) Requirements set forth in the invitation for bids may include criteria to determine acceptability such as:

(i) Inspection;

(ii) Testing;

(iii) Quality;

(iv) Workmanship;

(v) Delivery;

(vi) Past performance; and

(vii) Suitability for a particular purpose and criteria affecting price such as life-cycle or total ownership costs.

(2)(A) The invitation for bids shall set forth the evaluation criteria to be used.

(B) Criteria may not be used in bid evaluation that were not set forth in the invitation for bids.

(3)(A) A time discount may be considered in the evaluation of a bid only:

(i) If the state agency specifically solicits pricing that requests a time discount; and

(ii) Under the structured terms of the invitation for bids.

(B) If a bidder offers a time discount as part of its bid without the solicitation of time discounts by the state agency, the state agency shall not consider the time discount.

(f)(1) Correction of patent or provable errors in bids that do not prejudice other bidders or withdrawal of bids may be allowed only to the extent permitted under rules promulgated by the director and upon written approval of the Attorney General or a designee of the Attorney General.

(2) An award shall not be made on the basis of a corrected bid, if the corrected bid exceeds the next lowest bid of a responsible bidder.

(3)(A) The director or an agency procurement official may seek the clarification of a submitted bid.

(B) A written response by a bidder under this subsection shall only clarify the submitted bid and shall not add any substantive language to the submitted bid or change the terms of the submitted bid.

(C) If the bidder fails or refuses to clarify any matter questioned about the bidder's bid in writing by the deadline set by the director or agency procurement official, the bid may be rejected.

(D) If the bidder clarifies the matter questioned under this subsection in writing, the clarification shall be evaluated and become a part of any contract awarded on the basis of the bidder's bid.

(g)(1) The contract shall be awarded with reasonable promptness by written notice to the lowest responsible bidder whose bid meets the requirements and criteria set forth in the invitation for bids.

(2)(A) Except with respect to a contract being procured for a construction project, the director or the head of a procurement agency may negotiate a lower bid price, including changes in the bid requirements, with the lowest responsive and responsible bidder if:

(i) All bids received from responsive and responsible bidders exceed available funding as certified by the appropriate fiscal officer of the procurement agency; or

(ii) It appears that additional savings to the state may result from negotiation.

(B)(i)(a) If negotiations with the lowest responsive and responsible bidder conducted under subdivision (g)(2)(A) of this section fail to result in a lower bid price, the state may negotiate for a lower bid price with the next lowest responsive and responsible bidder.

(b) If negotiations with the next lowest responsive and responsible bidder under subdivision (g)(2)(B)(i)(a) of this section fail to result in a lower bid price, the state may negotiate for a lower bid price with the next lowest responsive and responsible bidder until an acceptable lower bid price is negotiated or the state determines that negotiations are no longer in the best interest of the state.

(ii) A bid price resulting from negotiations conducted under this section shall not be higher than:

(a) The bid price originally submitted by the lowest responsive and responsible bidder; or

(b) A price previously offered in negotiations by a responsive and responsible bidder.

(iii) Negotiations conducted under this section do not preclude the use of other methods of source selection or procurement authority provided under this chapter.

(C)(i) Negotiations under this subsection shall be conducted by a person who is trained and certified in negotiation and procurement processes.

(ii)(a) The Office of State Procurement shall provide for the training and certification required under this subsection.

(b) The training provided by the office shall be specific to Arkansas law.

(3) All other bidders requesting to be notified of the award decision shall be promptly notified of the decision.

(h)(1) An invitation for bids may be cancelled or any or all bids may be rejected in writing by the director or the agency procurement official.

(2) Before the rejection of a bid by the director, the decision to reject the bid may be validated with the state agency for which the procurement is being conducted.

(3) A bid may be rejected for failure to adhere to mandatory requirements.

19-61-506. Competitive sealed proposals.

(a) When the use of competitive sealed bidding is not practicable and advantageous, a contract may be awarded by competitive sealed proposals.

(b) Public notice of the request for proposals shall be given in the same manner as provided in § 19-61-505, which refers to public notice of competitive sealed bidding.

(c)(1) The request for proposals shall indicate the relative importance of price and other evaluation factors.

(2)(A) Except as provided in subdivision (d)(2)(B) of this section, cost shall be weighted at least thirty percent (30%) of the total evaluation score for a proposal submitted in response to the request for proposals.

(B)(i) The State Procurement Director may approve that cost be weighted at a lower percentage of the total evaluation score for a proposal submitted in response to a request for proposals if the director makes a written determination that the lower percentage is in the best interest of the state.

(ii) A state agency's failure to obtain the approval of the director under this subsection for a request for proposals with cost weighted at a lower percentage than required under subdivision (c)(2)(A) of this section is grounds for submitting a protest under § 19-61-701.

(C) The use of a lower percentage under subdivision (c)(2)(B) of this section and the corresponding written determination by the director shall be submitted to the Legislative Council or, if the General

Assembly is in session, the Joint Budget Committee, for review before the request for proposals is issued.

(3) The state's prior experience with an offeror may be considered and scored as part of the offeror's proposal only:

(A) To the extent that the request for proposals requests that all offerors provide references; and

(B) If the offeror's past performance with the state occurred no more than three (3) years before the offeror submitted the proposal.

(4) A state agency shall not include prior experience with the state as a mandatory requirement for submitting a proposal under this section.

(d)(1) As provided in the request for proposals and under rule, discussions may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of:

(A) Clarifying solicitation requirements to assure full understanding of and responsiveness to the solicitation requirements; or

(B) Negotiating a contract that is more advantageous to the state.

(2)(A) If discussions conducted after the deadline for the receipt of proposals necessitate material revisions of proposals, each offeror determined to be responsible and reasonably susceptible of being awarded a contract shall be provided an opportunity to revise the offeror's proposal for the purpose of submitting a best and final offer.

(B) An offeror may be permitted to revise the offeror's original proposal as a result of discussions only after the original submission deadline and before award for the purpose of providing a best and final offer.

(C)(i) Before issuing the notice of award of a contract, the director or the agency procurement official may request a best and final offer from each responsible offeror that is reasonably susceptible of being awarded the contract.

(ii) In responding to a request for a best and final offer, an offeror may:

(a) Resubmit the offeror's original proposal

with lower pricing or additional benefits, or both, in accordance with the specifications of the request for proposals; or

(b) Submit a written response that states that the offeror's original proposal, including without limitation the pricing, remains unchanged.

(iii) If a best and final offer is requested, the director or the agency procurement official shall evaluate each proposal submitted in response to the request for a best and final offer in determining the proposal that is the most advantageous to the state.

(3) In conducting discussions, information derived from a proposal submitted by a competing offeror shall not be disclosed until after a notice of anticipation to award is announced.

(e)(1) The director or an agency procurement official may seek the clarification of a submitted proposal.

(2) A written response by an offeror under this subsection shall only clarify the submitted proposal and shall not add any substantive language to the submitted proposal or change the terms of the submitted proposal.

(3) If the offeror fails or refuses to clarify any matter questioned about the offeror's proposal in writing by the deadline set by the director or agency procurement official, the proposal may be rejected.

(4) If the offeror clarifies the matter questioned under this subsection in writing, the clarification shall be evaluated and become a part of any contract awarded on the basis of the offeror's proposal.

(f)(1) Award under this section shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the state, taking into consideration price, the evaluation factors set forth in the request for proposals, any best and final offers submitted, and the results of any discussions conducted with responsible offerors.

(2) Factors or criteria that are not specified in subdivision (f)(1) of this section shall not be used in the evaluation of a proposal.

(3) If it is determined that two (2) or more responsible offerors have tied scores after the evaluation of the proposals, the award under this section shall be made to the responsible offeror that had one (1) of the tied scores and submitted the lowest price proposal.

(4) The director or the agency procurement official may enter

into negotiations with the responsible offeror whose proposal is determined in writing to be the most advantageous to the state when the best interests of the state would be served, including without limitation when the state can obtain:

(A) A lower price without changes to the terms or specifications of the request for proposals; or

(B) An improvement to the terms or specifications, or both, of the request for proposals without increasing the price of the proposal.

(g)(1) The Office of State Procurement shall:

(A) Encourage full discussion by the evaluators who are evaluating proposals submitted in response to a request for proposals under this section; and

(B) Develop tools and templates to be used in evaluating proposals submitted in response to a request for proposals under this section that optimize the number of material scored attributes and provide for a limited range of possible scores for each attribute.

(2)(A) A state agency may use one (1) or more private evaluators to evaluate proposals submitted in response to a request for proposals under this section.

(B) A private evaluator used under this subsection shall be:

(i) Held to the same requirements and prohibitions regarding conflicts of interest as state employees;

(ii) A qualified volunteer, unless the state does not have the necessary expertise to evaluate the proposals, in which case a paid private evaluator may be used; and

(iii) Eligible for travel reimbursement if the state agency decides to make travel reimbursement available.

(C) The use of a private evaluator is not required.

(D) If a state agency uses one (1) or more private evaluators, the use of a private evaluator shall be disclosed in the procurement file and in any information submitted to the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

(h)(1) A competitive sealed proposal may be cancelled or any or all proposals may be rejected in writing by the director or the agency

procurement official.

(2) Before the rejection of a proposal by the director, the decision to reject the proposal may be validated with the evaluation committee that evaluated the proposal.

(3) A proposal may be rejected for failure to adhere to mandatory requirements.

19-61-507. Proprietary or sole source procurements.

(a) Under rules promulgated under this chapter, a contract may be awarded for a required or designated commodity or service to a sole or mandatory supplier when the State Procurement Director, the head of a procurement agency, or a designee of either officer above the level of agency procurement official determines in writing that it is not practicable to use other than the required or designated commodity or service.

(b) Unless a written determination is made that there is only one (1) source for the required or designated commodity or service, efforts shall be made to obtain price competition.

19-61-508. Emergency procurements — Definition.

(a) The State Procurement Director, the head of a procurement agency, or a designee of either officer may make or authorize others to make emergency procurements as defined in § 19-61-501(4) and in accordance with rules promulgated by the director.

(b)(1) A person or a state agency that makes an emergency procurement under this section shall:

(A) Receive at least three (3) competitive bids unless the emergency is a critical emergency; and

(B) Complete a quotation abstract that includes the:

(i) Names of the firms contacted;

(ii) Time that each firm was contacted;

(iii) Quoted price obtained from each contacted firm; and

(iv) Method used for contacting each firm.

(2) As used in this subsection, “critical emergency” means an emergency in which human life or health is imminently endangered.

19-61-509. Multiple award contracts.

(a)(1) Multiple award contracts may be made only if the State Procurement Director or an agency procurement official determines in writing that a single award is not advantageous to the State of Arkansas.

(2) The determination under subdivision (a)(1) of this section shall state in writing a rationale and basis for the multiple award contract.

(3) Multiple award contracts shall be limited to the least number of suppliers necessary to meet the requirements of the using agencies.

(b) If the director or agency procurement official anticipates that multiple award contracts will be made, the invitation for bids shall include a notification of the right of the Office of State Procurement or agency to make such an award and the criteria upon which such an award will be based.

19-61-510. Special procurements.

(a) Notwithstanding any other provision of this chapter, the State Procurement Director or the head of a procurement agency may initiate a procurement above the competitive bid amount specified in § 19-61-504, when the director or the head of a procurement agency determines that an unusual or unique situation exists that makes the application of all requirements of competitive bidding, competitive sealed bidding, or competitive sealed proposals contrary to the public interest.

(b) A written determination under this section of the basis for the procurement and for the selection of the particular contractor shall be included by the director or the head of a procurement agency in the contract file, and he or she shall file a monthly report with the Legislative Council describing all written determinations under this section.

19-61-511. Cost-plus-a-percentage-of-cost and cost-plus-a-fixed-fee contracts.

As used in this chapter, the cost-plus-a-percentage-of-cost and cost-plus-a-fixed-fee system may be used under the authority of the State Procurement Director when:

(1) There exists no other economically practicable price arrangement to secure the commodity;

(2) A cost saving may be proved over the least expensive alternative; or

(3) The pricing schedule involved is tied to an industry standard or other reliable system of cost prediction.

19-61-512. Multiyear contracts.

(a) Specified Period. Unless otherwise provided by law, a contract for commodities or services may be entered into for periods of not more than seven (7) years if funds for the first fiscal year of the contemplated contract are available at the time of contracting. Payment and performance obligations for succeeding fiscal years shall be subject to the availability and appropriation of funds therefor.

(b) Determination Prior to Use. Prior to the utilization of a multiyear contract, it shall be determined in writing that:

(1) Estimated requirements cover the period of the contract and are reasonably firm and continuing;

(2) A multiyear contract will serve the best interests of the state by encouraging effective competition or otherwise promoting economies in state procurement; and

(3) In the event of termination of the multiyear contract for any reason, the contract provides for cessation of services or surrender by the state of the commodities and repayment to the state of any accrued equity, or both cessation of services and surrender by the state of the commodities and repayment to the state of any accrued equity.

(c) Termination Due to Unavailability of Funds in Succeeding Years.

(1) Original terms of a multiyear contract shall not exceed four (4) years.

(2) When funds are not appropriated or otherwise made available to support continuation of performance in a multiyear contract, the multiyear contract shall be terminated and the contractor may be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the commodities or services delivered under the multiyear contract.

(3) The cost of termination under subdivision (c)(2) of this section may be paid from:

(A) Appropriations currently available for performance of the multiyear contract;

(B) Appropriations currently available for procurement of similar commodities or services and not otherwise obligated; or

(C) Appropriations made specifically for the payment of such termination costs.

19-61-513. Finality of determinations.

The following determinations are final and conclusive, unless they are clearly erroneous, arbitrary, capricious, or contrary to law:

(1) The determinations required by § 19-61-505(g), which refers to competitive sealed bidding, award;

(2) The determinations required by § 19-61-506(a), which refers to competitive sealed proposals, conditions for use;

(3) The determinations required by § 19-61-506(f), which refers to competitive sealed proposals, award;

(4) The determinations required by § 19-61-507, which refers to proprietary or sole source procurements;

(5) The determinations required by § 19-61-508, which refers to emergency procurements;

(6) The determinations required by § 19-61-504, which refers to competitive bidding;

(7) The determinations required by § 19-61-401, which refers to responsibility of bidders and offerors, determination of responsibility;

(8) The determinations required by § 19-61-512(b), which refers to multiyear contracts, determination prior to use; and

(9) The determinations required by § 19-61-510, which refers to special procurements.

19-61-514. Specifications — Definition.

(a) Definition.

(1) "Specification" means any technical or purchase description or other description of the physical or functional characteristics, or of the nature, of a commodity or service.

(2) "Specification" may include a description of any requirement for inspecting, testing, or preparing a commodity or service for delivery.

(b) The State Procurement Director shall promulgate rules governing the preparation, maintenance, and content of standard and nonstandard specifications for commodities, technical and general services, and professional and consultant services procured by the Office of State

Procurement.

(c) Maximum Practicable Competition. All specifications under this section shall be drafted so as to assure the maximum practicable competition for the state's actual requirements.

19-61-515. Preferences among bidders — Conflicts with federal law — Definitions.

(a) Definitions.

(1) The definitions in this subsection do not apply to other sections of this chapter.

(2) As used in this section:

(A) "Commodities" means materials and equipment used in the construction of public works projects;

(B) "Firm resident in Arkansas" means any individual, partnership, association, or corporation, whether domestic or foreign, that:

(i) Maintains at least one (1) staffed office in this state;

(ii) For not fewer than two (2) successive years immediately before submitting a bid, has paid taxes under the Division of Workforce Services Law, § 11-10-101 et seq., unless exempt, and either the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., on property used or intended to be used for or in connection with the firm's business; and

(iii) Within the two-year period, has paid taxes to one (1) or more counties, school districts, or municipalities of the State of Arkansas on either real or personal property used or intended to be used or in connection with the firm's business;

(C) "Lowest qualified bid" means the lowest bid that conforms to the specifications and request for bids;

(D) "Nonresident firm" means a firm that is not included in the definition of a "firm resident in Arkansas"; and

(E) "Public agency" means all counties, municipalities, and political subdivisions of the state.

(b)(1)(A) In the purchase of commodities by competitive bidding, a public agency shall accept the lowest qualified bid from a firm resident in Arkansas.

(B) This bid shall be accepted only if the bid does not exceed the lowest qualified bid from a nonresident firm by more than five percent (5%) and if one (1) or more firms resident in Arkansas made written claim for a preference at the time the bids were submitted.

(C)(i) In calculating the preference to be allowed, the appropriate procurement officials, pursuant to this section and §§ 19-61-101 — 19-61-111, 19-61-117, 19-61-201 — 19-61-209, 19-61-301 — 19-61-303, 19-61-401 — 19-61-403, 19-61-501 — 19-61-508, 19-61-511 — 19-61-514, 19-61-601 — 19-61-603, 19-61-701 — 19-61-705, and 19-61-801 — 19-61-811, shall take the amount of each bid of the Arkansas dealers who claimed the preference and deduct five percent (5%) from its total.

(ii) If after making the deduction under subdivision (b)(1)(C)(i) of this section, the bid of an Arkansas bidder claiming the preference is lower than the bid of the nonresident firm, then the award shall be made to the Arkansas firm that submitted the lowest bid, whether or not that particular Arkansas firm claimed the preference.

(2)(A) The preference provided for in this section applies only in comparing bids when one (1) or more bids are by a firm resident in Arkansas and the other bid or bids are by a nonresident firm.

(B) The preference provided for under this section does not apply to competing bids if both bidders are firms resident in Arkansas, as defined in this section.

(C)(i) All public agencies shall be responsible for carrying out the spirit and intent of this section in their procurement policies.

(ii) A public agency that, through an employee or designated agent, is found guilty of violating this section or committing an unlawful act under this section, is guilty of an unclassified misdemeanor.

(D) Notwithstanding any other provisions of Arkansas law, upon conviction that person is subject to imprisonment for not more than six (6) months or a fine of not more than one thousand dollars ($1,000), or both.

(E)(i) If a provision or condition of this chapter conflicts with a provision of federal law or a rule or regulation made under federal law pertaining to federal grants-in-aid programs or other federal aid programs, the provision or condition does not apply to the federal-supported contracts for the purchase of commodities to the extent that the conflict

exists.

(ii) However, all provisions or conditions of this chapter with which there is no conflict apply to contracts to purchase commodities to be paid, in whole or in part, from federal funds.

(c)(1)(A) This section applies only to projects designed to provide utility needs of a county or municipality.

(B) Projects under subdivision (c)(1)(A) of this section include without limitation pipeline installation, sanitary projects, and waterline, sewage, and water works.

(2) To the extent that federal purchasing laws or bidding preferences conflict, this chapter does not apply to projects related to supplying water or wastewater utility services, operations, or maintenance to a federal military installation by a municipality of the state.

19-61-516. High efficiency lighting — Preference — Definitions.

(a)(1) The General Assembly finds:

(A) The expansion of state government makes it one of the state's leading purchasers of lighting commodities;

(B) Recent technological developments have produced energy-efficient devices that reduce energy costs through a reduction in energy usage; and

(C) Prudent use of taxpayer dollars dictates that the State of Arkansas should be at the forefront of implementing energy-efficient devices in facilities operated with public funds.

(2) The intent of this section is to promote the use of high efficiency lighting in facilities operated with public funds when feasible.

(b) As used in this section:

(1)(A) "Fluorescent lamp" means a gas-discharge lamp that:

(i) Utilizes a magnetic, electronic, or other ballast; and

(ii) Uses electricity to excite mercury vapor in argon or neon gas resulting in a plasma that produces short-wave ultraviolet light that causes a phosphor to fluoresce and produce visible light.

(B) "Fluorescent lamp" includes without limitation a compact fluorescent lamp;

(2) "High efficiency lighting" means fluorescent lamp or solid

state lighting;

(3) "Solid state lighting" means a light device that utilizes light-emitting diodes, organic light-emitting diodes, or polymer light-emitting diodes as sources of illumination rather than electrical filaments or gas; and

(4)(A) "State agency" means an agency, institution, authority, department, board, commission, bureau, council, or other agency of the state supported by appropriation of state or federal funds.

(B) "State agency" includes the constitutional departments of the state, the elected constitutional offices of the state, the General Assembly, including the Legislative Council and the Legislative Joint Auditing Committee and supporting agencies and bureaus of the General Assembly, the Supreme Court, the Court of Appeals, circuit courts, prosecuting attorneys, and the Administrative Office of the Courts.

(c) When a state agency purchases or requires a bid for the purchase of an indoor lamp, a preference for high efficiency lighting shall be exercised if the use of high efficiency lighting is technically feasible and the price is competitive with consideration given to the long-term cost effectiveness and savings of high efficiency lighting.

(d)(1) The goal of state agencies for the percentage of purchased indoor lamps that are high efficiency lighting shall be one hundred percent (100%).

(2) The Office of State Procurement shall prepare an annual report to the Legislative Council of the state's progress in meeting the goals for the purchase of high efficiency lighting.

19-61-517. Development and use of performance-based contracts — Findings.

(a) The General Assembly finds that:

(1) Performance-based contracts provide an effective and efficient method of monitoring and evaluating the overall quality of services provided; and

(2) The practice of including benchmark objectives that the provider must attain at specific intervals during the term of the contract is an essential requirement for measuring performance.

(b)(1) A state agency, board, commission, or institution of higher

education that enters into a contract under this subtitle to procure services that has a contract amount of at least one million dollars ($1,000,000) in a single contract year or a total projected contract amount, including any amendments to or possible extensions of the contract, of at least seven million dollars ($7,000,000) shall use performance-based standards in the contract that are specifically tailored to the services being provided under the contract.

(2) The performance-based standards used under this subsection shall include performance measures based on objective factors.

(3) A state agency, board, commission, or institution of higher education is encouraged to use performance-based standards that are based on objective factors in any other contract in which it would serve the best interest of the state.

(c) A state agency, board, commission, or institution of higher education that enters into a contract with performance-based standards:

(1)(A) Shall monitor the vendor's performance and adherence to the performance-based standards in the contract.

(B) For state contracts, the Office of State Procurement is the state agency that monitors each vendor's performance under this subdivision (c)(1); and

(2) May impose financial consequences, as identified in the contract, on a vendor that is party to a contract with performance-based standards for failure to satisfy the performance-based standards, including without limitation withholding payment or pursuing liquidated damages to the extent allowed by law.

(d)(1) The State Procurement Director shall promulgate rules necessary to implement and administer this section.

(2) Rules promulgated under this subsection are subject to approval by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

Subchapter 6 — Commodity Management

19-61-601. Definitions concerning commodity management.

As used in this chapter:

(1) "Commodities" means commodities owned by the state and

includes commodities as defined in § 19-61-103;

(2) “Excess commodities” means any commodity, other than expendable commodities, having a remaining useful life but which the using agency in possession of the commodity has determined is no longer required by the using agency;

(3) “Expendable commodities” means all tangible commodities other than nonexpendable commodities;

(4) “Nonexpendable commodities” means all tangible commodities having an original acquisition cost of more than two thousand five hundred dollars ($2,500) per unit and a useful life of more than one (1) year; and

(5)(A) “Surplus commodities” means any commodities, other than expendable commodities, no longer having any use to the state.

(B) “Surplus commodities” includes obsolete commodities, scrap materials, and nonexpendable commodities that have completed their useful life cycle.

19-61-602. Commodity management rules.

The State Procurement Director shall promulgate rules governing:

(1)(A) The sale, lease, or disposal of surplus commodities by public auction, competitive sealed bidding, or other appropriate method designated by rule.

(B) An employee of the Department of Transformation and Shared Services or member of the employee’s immediate family shall not be entitled to purchase surplus commodities;

(2) The transfer of excess commodities within the state; and

(3) The sale, lease, or disposal of surplus commodities to not-for-profit organizations under § 22-1-101.

19-61-603. Proceeds from surplus commodities.

The State Procurement Director shall promulgate rules for the allocation of proceeds from the sale, lease, or disposal of surplus commodities, to the extent practicable, to the using agency that had possession of the surplus commodities.

Subchapter 7 — Conflict Resolution — Debarment

19-61-701. Resolution of protested solicitations and awards.

(a)(1) An actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation of a contract may protest by presenting a written notice at least seventy-two (72) hours before the filing deadline for the solicitation response to the State Procurement Director or the head of a procurement agency.

(2)(A) An actual bidder, offeror, or contractor who is aggrieved in connection with the award of a contract may protest to the:

(i) Director; or

(ii) Head of a procurement agency.

(B) A person submitting a protest under subdivision (a)(2)(A) of this section shall give notice of the protest to the person named in the anticipation to award a contract by sending the person a copy of the protest by electronic mail and regular mail.

(3) The protest shall be submitted in writing within fourteen (14) calendar days after the calendar day on which the contract is awarded or the notice of anticipation to award the contract is posted, whichever occurs first.

(4) A protest submitted by an aggrieved person under this section shall:

(A) Be limited to one (1) or more of the following grounds:

(i) The award of the contract exceeded the authority of the director or the procurement agency;

(ii) The procurement process violated a constitutional, statutory, or regulatory provision;

(iii) The director or the procurement agency failed to adhere to the rules of the procurement as stated in the solicitation, and the failure to adhere to the rules of the procurement materially affected the contract award;

(iv) The procurement process involved responses that were collusive, submitted in bad faith, or not arrived at independently through open competition; or

(v) The award of the contract resulted from a technical or mathematical error made during the evaluation process; and

(B) State facts that substantiate each ground on which the

protest is based.

(5)(A) A person named in an anticipation to award a contract that is protested under this section may file a written response to the protest.

(B) A response to a protest submitted under subdivision (a)(5)(A) of this section shall be submitted in writing within five (5) days of the date the person is given notice of the protest under subdivision (a)(2)(B) of this section.

(b)(1)(A) The director, the head of a procurement agency, or a designee of either officer may settle and resolve a protest concerning the solicitation or award of a contract before rendering an administrative protest determination.

(B)(i) A meeting in an attempt to settle or resolve a protest is not a public meeting under the Freedom of Information Act of 1967, § 25-19-101 et seq.

(ii) However, a final settlement or resolution of a protest made under this section shall not be kept secret, sealed, or withheld from public disclosure.

(2) The authority to settle or resolve a protest under this section shall be exercised in accordance with laws governing the Arkansas State Claims Commission, which has exclusive jurisdiction over all claims against the state in connection with the solicitation or award of a contract, and the rules promulgated by the State Procurement Director.

(c)(1) If a protest is not settled or resolved by mutual agreement under subsection (b) of this section, the director, the head of a procurement agency, or a designee of either officer shall promptly issue an administrative protest determination in writing.

(2) The administrative protest determination shall state the reasons for the action taken.

(d) Within five (5) days after it is written, a copy of the decision under subsection (c) of this section shall be mailed or otherwise furnished to the protestor and any other party intervening.

(e) An administrative protest determination under subsection (c) of this section is:

(1) Final and conclusive; and

(2) Not an order as defined in the Arkansas Administrative

Procedure Act, § 25-15-201 et seq.

(f) In the event of a timely protest under subsection (a) of this section, the state shall not execute a contract that is the result of the protested solicitation or award unless the director or the head of the relevant procurement agency makes a written determination that the execution of the contract without delay is necessary to protect substantial interests of the state.

(g) When the protest is sustained and the successfully protesting bidder or offeror was denied the contract award, the protesting bidder or offeror may be entitled to the reasonable costs incurred in connection with the solicitation, including bid preparation costs, through the commission.

(h) An actual or prospective bidder, offeror, or contractor who is aggrieved by a protest submitted under this section that was without merit or intended purely to delay the award of a contract may bring a private cause of action for tortious interference with a business expectancy against the person or entity that submitted the protest.

19-61-702. Debarment or suspension.

(a) Applicability. This section applies to debarment for cause from consideration for award of contracts, or a suspension from such consideration during an investigation, when there is probable cause for such a debarment.

(b)(1)(A)(i) After reasonable notice to the person involved and reasonable opportunity for that person to have a hearing before a committee according to rules promulgated by the State Procurement Director, the director or the head of a procurement agency may debar a person for cause from consideration for award of contracts, provided that doing so is in the best interests of the state.

(ii) The debarment shall not be for a period of more than three (3) years.

(B)(i) The same officer may suspend a person from consideration for award of contracts, provided that doing so is in the best interests of the state and there is probable cause for debarment.

(ii) The suspension shall not be for a period exceeding three (3) months.

(2) The authority to debar or suspend shall be exercised in accordance with rules promulgated by the State Procurement Director.

(c) The causes for debarment or suspension because of unsuitability for award of a contract shall be set forth in rules promulgated by the director.

(d) The director or the head of a procurement agency shall issue a written decision to debar or suspend. The decision shall state the reasons for the action taken.

(e) Notice of Decision. A copy of the decision under subsection (d) of this section shall be mailed or otherwise furnished within five (5) days after it is written to the debarred or suspended person and any other party intervening.

(f) Finality of Decision. A decision under subsection (d) of this section shall be final and conclusive.

19-61-703. Resolution of contract and breach of contract controversies.

(a) Applicability. This section applies to controversies between the state and a contractor that arise under or by virtue of a contract between the state and a contractor, including without limitation controversies based upon breach of contract, mistake, misrepresentation, or other cause for contract modifications or rescission.

(b)(1) The State Procurement Director, the head of a procurement agency, or a designee of either officer may settle and resolve a controversy described in subsection (a) of this section before commencement of an action in a court or any other action provided by law concerning the controversy.

(2) The authority under subdivision (b)(1) of this section shall be exercised in accordance with the law governing the Arkansas State Claims Commission and the rules promulgated by the State Procurement Director.

(c)(1) If a claim or controversy as described in this section is not resolved by mutual agreement, and after reasonable notice to the contractor and reasonable opportunity for the contractor to present the claim or controversy in accordance with the rules promulgated by the director, then the head of a procurement agency, the director, or the designee of either officer shall promptly issue a decision in writing.

(2) The decision shall state the reasons for the action taken.

(d) A copy of the decision under subsection (c) of this section shall be mailed or otherwise furnished immediately to the contractor.

(e) A decision under subsection (c) of this section is final and conclusive.

(f) If the director, the head of a procurement agency, or the designee of either officer does not issue the written decision required under subsection (c) of this section within one hundred twenty (120) days after written request for a final decision, or within such longer period as may be agreed upon by the parties, then the contractor may proceed as if an adverse decision has been received.

19-61-704. Remedies for unlawful solicitation or award.

(a) This section applies when it is determined upon any review provided by law that a solicitation or award of a contract is in violation of law.

(b) If before an award it is determined that a solicitation or proposed award of a contract is in violation of law, then the solicitation or proposed award shall be:

(1) Cancelled; or

(2) Revised to comply with the law.

(c) If after an award it is determined that a solicitation or award of a contract is in violation of law, then in addition to or in lieu of other remedies provided by law:

(1) If the person awarded the contract has not acted fraudulently or in bad faith:

(A) The contract may be ratified and affirmed if it is determined that doing so is in the best interests of the state; or

(B) The contract may be terminated;

(2) If the person awarded the contract has acted fraudulently or in bad faith:

(A) The contract may be declared null and void; or

(B) The person awarded the contract may be directed to proceed with performance of the contract and pay such damages, if any, as may be appropriate if such action shall be in the best interests of the state.

(d) Before a contract is ratified and affirmed under subdivision (c)(1)(A) of this section, a contract shall be presented to the Legislative Council or, if the General Assembly is in session, to the Joint Budget Committee, for review if the contract is required to be submitted for review

under § 19-61-116.

19-61-705. Finality of administrative determinations.

In a judicial action or other action provided by law, factual or legal determinations by employees, agents, or other persons appointed by the state have no finality and are not conclusive, notwithstanding any contract provision or rule of law to the contrary, except to the extent provided in:

(1) Section 19-61-513, which refers to finality of determinations;

(2) Section 19-61-701(e), which refers to resolution of protested solicitations and awards, finality of decision;

(3) Section 19-61-702(f), which refers to debarment or suspension, finality of decision; and

(4) Section 19-61-703(e), which refers to resolution of contract and breach of contract controversies, finality of decision.

Subchapter 8 — Intergovernmental Relations

19-61-801. Definitions concerning intergovernmental relations.

As used in this subchapter:

(1) "Consumer Price Index" means the most recent Consumer Price Index for All Urban Consumers published by the United States Department of Labor, or its successor;

(2) "Cooperative purchasing agreement" means an agreement entered into as the result of a procurement conducted by, or on behalf of, more than one (1) public procurement unit or by a public procurement unit with an external procurement activity;

(3)(A) "External procurement activity" means any buying organization not located in this state that, if located in this state, would qualify as a public procurement unit.

(B) An agency of the United States Government is an external procurement activity;

(4) "Local public procurement unit" means:

(A) A county, city, town, state agency, and any other subdivision of the state or public agency of the state;

(B) A fire protection district;

(C) A regional water distribution district;

(D) A rural development authority;

(E) A public authority;

(F) A public educational, health, or other institution;

(G) A nonprofit corporation during the time that it contracts with the Department of Human Services to provide services to individuals with developmental disabilities or for transportation services, so long as the contract exceeds seventy-five thousand dollars ($75,000) per year;

(H) A nonprofit corporation providing fire protection services to a rural area or providing drinking water to the public in a rural area; and

(I) To the extent not prohibited by law, any other entity that expends public funds for the acquisition or leasing of commodities and services;

(5) "Public procurement unit" means either a local public procurement unit or a state public procurement unit;

(6)(A) "Public school construction services" means services procured by a public school district or open-enrollment public charter school under a contract with a corresponding cooperative purchasing verification letter providing for the making of repairs, alterations, erection, or other permanent improvements to a public building, property, or structure that do not exceed a total aggregate amount of one million dollars ($1,000,000) for a public procurement unit in a fiscal year.

(B)(i) Annually on July 1, at the direction of the Office of State Procurement and with the approval of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, the amount stated in subdivision (6)(A) of this section shall be adjusted by the percentage, if any, by which the Consumer Price Index for the current calendar year exceeds the Consumer Price Index for the preceding calendar year, not to exceed three percent (3%).

(ii) The Consumer Price Index for a calendar year is the average of the Consumer Price Index as of the close of the twelve-month period ending on August 31 of that calendar year; and

(7) "State public procurement unit" means the Office of State Procurement and any other procurement agency of this state.

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:

(A) The name of the contractor;

(B) The name of the procuring agency;

(C) The contact information for the contractor and procuring agency;

(D) The total cost of the contract, including all available extensions;

(E) A description of the public school construction services, goods, or other services procured; and

(F) Any other information requested by the Legislative Council or the Joint Budget Committee.

(c) A contractor shall cooperate with the director in providing information necessary for the director to complete the report required under subsection (b) of this section.

(d) If a public procurement unit needs to procure public school construction services in excess of the amount provided in § 19-61-801(6), the public procurement unit may submit a request for a waiver to the Executive Subcommittee of the Legislative Council.

19-61-803. Sale, etc., of commodities.

A public procurement unit by agreement with another public procurement unit may sell to, acquire from, or use any commodities belonging to or produced by another public procurement unit or external procurement activity independent of the requirements of:

(1) Sections 19-61-401 — 19-61-403, 19-61-501 — 19-61-508, and 19-61-510 — 19-61-513, which refer to source selection and contract formation; and

(2) Sections 19-61-601 — 19-61-603, which refer to commodity management.

19-61-804. Intergovernmental use of commodities or services.

A public procurement unit may enter into an agreement with any other public procurement unit or external procurement activity for the intergovernmental use of commodities, technical and general services, or professional and consultant services under the terms agreed upon between the parties and in accordance with the rules promulgated under this chapter, independent of the requirements of:

(1) Sections 19-61-401 — 19-61-403, 19-61-501 — 19-61-508, and 19-61-510 — 19-61-513 that refer to source selection and contract formation; and

(2) Sections 19-61-601 — 19-61-603 that refer to commodity management.

19-61-805. Rules.

The State Procurement Director may promulgate reasonable rules pertaining to the sale or acquisition of any commodities, technical and general services, or professional and consultant services belonging to or produced by another public procurement unit or external procurement activity as authorized in this section and §§ 19-61-802 — 19-61-804 and 19-61-806 — 19-61-811.

19-61-806. Joint use of facilities.

A public procurement unit may enter into agreements for the common use or lease of warehousing facilities, capital equipment, and other facilities with another public procurement unit or an external procurement activity under the terms agreed upon between the parties.

19-61-807. State information services.

(a) Upon request, the State Procurement Director may make available to public procurement units the following services, among others:

(1) Standard forms;

(2) Printed manuals;

(3) Product specifications and standards;

(4) Quality assurance testing services and methods;

(5) Qualified products lists;

(6) Source information;

(7) Common use commodities listings;

(8) Supplier prequalification information;

(9) Supplier performance ratings;

(10) Debarred and suspended bidders lists;

(11) Forms for invitations for bids, requests for proposals, instructions to bidders, general contract provisions, and other contract forms; and

(12) Contracts, or published summaries of contracts, including price and time of delivery information.

(b) The director may enter into contractual arrangements and publish a schedule of fees for the services provided under this section.

19-61-808. Use of payments received.

All payments from a public procurement unit or external procurement activity received by a public procurement unit supplying services shall be available to the supplying public procurement unit.

19-61-809. Compliance by public procurement units.

(a) Procurement in Accordance with Requirements. When the public procurement unit or external procurement activity administering a cooperative purchase complies with the requirements of this chapter, a public procurement unit participating in the cooperative purchase shall be deemed to have complied with this chapter.

(b) When a public procurement unit or external procurement activity not subject to this chapter administers a cooperative purchase for a public procurement unit subject to this chapter, then the State Procurement Director shall determine in writing that the procurement system and remedies procedures of the public procurement unit or external procurement activity administering the procurement substantially meet the requirements of this chapter.

19-61-810. Review of procurement requirements.

(a)(1) To the extent possible and consistent with efficiency, the State Procurement Director shall collect information concerning the type, cost, quality, and quantity of commonly used commodities or services being procured or used by state public procurement units.

(2) The director may also collect such information from local public procurement units.

(b) The director may make available all such information to any public procurement unit upon request.

19-61-811. Contract controversies.

Under a cooperative purchasing agreement, controversies arising between

an administering public procurement unit and its bidders, offerors, or contractors shall be resolved in accordance with §§ 19-61-701 — 19-61-705, which refer to legal and contractual remedies, when the administering public procurement unit is a state public procurement unit or otherwise subject to §§ 19-61-701 — 19-61-705.

19-61-812. Cooperative purchase of paper products for local governments.

(a)(1) All cities, counties, and school districts shall participate in a cooperative purchasing program for the purchase of paper products.

(2) The program shall be administered by the State Procurement Director.

(b)(1) The director shall promulgate rules for administration of the program.

(2) The rules shall be reviewed by the House Committee on Public Health, Welfare, and Labor and the Senate Committee on Public Health, Welfare, and Labor or appropriate subcommittees of the committees.

19-61-813. Review of information technology plans.

The Office of State Procurement shall ensure that all required information has been submitted to the Office of Intergovernmental Services for review of proper planning and technical requirements before the execution of:

(1) A contract issued under this chapter that procures information technology products or services with a total projected contract amount, including any amendments to or possible extensions of the contract, of at least one hundred thousand dollars ($100,000); or

(2) A purchase of information technology products or services made under a cooperative purchase agreement under § 19-61-802.

CHAPTER 62

BIDDING — STATE INDUSTRY PRIORITY

Subchapter 1. General Provisions
Subchapter 2. Bidding Priority

Subchapter 1 — General Provisions

19-62-101. Purpose.

The purpose of this chapter is to protect Arkansas private industries which employ Arkansas taxpayers and citizens from the unfair advantage held by certain out-of-state correctional institutions that utilize convict labor and are exempt from minimum wage requirements, Occupational Safety and Health Act of 1970 requirements, and other such standards which are imposed on private industries and which increase the costs of products manufactured by private industries. This advantage which is enjoyed by many out-of-state correctional institutions allows the out-of-state correctional institutions to often receive contracts under the Arkansas Procurement Law, § 19-61-101 et seq., bidding process when Arkansas private industries also submit bids, thus hindering a healthy competitive environment for the private industries of this state.

19-62-102. Definitions.

As used in this chapter, unless the context otherwise requires:

(1) “Bid” means a proposal submitted to the state for the sale of products to the state;

(2) “Correctional institution” means a penitentiary, jail, prison, reformatory, or other such establishment owned, operated, or funded by a state or local government in which incarcerated criminals are kept;

(3) “Private industry” means a manufacturer, maker of products, company, corporation, or firm that is not a department, division, or arm of the federal, state, or local governments;

(4) “Private industry located within the State of Arkansas” means private industry that is located in Arkansas, employing Arkansas citizens and taxpayers as laborers in the process of manufacturing goods and products within this state; and

(5) “State” means the government of the State of Arkansas and all departments, branches, agencies, and subdivisions of the state.

19-62-103. Provisions controlling.

Where provisions of this chapter are inconsistent with provisions of the current Arkansas Procurement Law, § 19-61-101 et seq., the provisions in

this chapter shall control.

Subchapter 2 — Bidding Priority

19-62-201. Priority for state industries.

In the bidding process for the sale of products for use by the state, a bid submitted by a private industry located within the State of Arkansas and employing Arkansas taxpayers shall be given priority over a bid submitted by an out-of-state correctional institution employing convict labor.

19-62-202. Award to lowest state bidder — Exceptions.

Subject to any applicable bonding requirements, in all bidding procedures involving a bid by one (1) or more out-of-state correctional institutions and a bid by one (1) or more private industries located within the State of Arkansas, the contract shall be awarded to the sole Arkansas bidder or lowest Arkansas bidder if the Arkansas bidder is not underbid by more than five percent (5%), as provided in § 19-61-515, by another representative of private industry located outside the State of Arkansas or by more than fifteen percent (15%) by an out-of-state correctional institution.

19-62-203. Underbid by nonresident industry or correctional institution.

Subject to any applicable bonding requirements, if a private Arkansas bidder is underbid by more than five percent (5%), as provided in § 19-61-515, by another representative of private industry located outside the State of Arkansas or is underbid by more than fifteen percent (15%) by an out-of-state correctional institution, the state contract shall be awarded to the lowest responsible bidder, whether that bidder is a correctional institution or is a representative of private industry.

CHAPTER 63

FEDERAL GOVERNMENT SURPLUS PROPERTY

19-63-101. Authority to transfer to state and local agencies.

(a) The Division of Emergency Management may cooperate with the United

States Government in the transfer of government surplus property to all departments and agencies of state and local government and to all other agencies eligible to receive surplus property under Pub. L. No. 81-152 and Pub. L. No. 81-754, and all other statutory laws that may be enacted by the United States Congress covering the disposal of United State Government surplus property.

(b) The division may take all action necessary to the proper administration of the federal Surplus Property Program in the acquisition of and the distribution of government surplus properties to eligible claimants in this state, distribution to be in accordance with the appropriate controlling federal statutes.

(c) The division may add to the cost of the properties an amount necessary to defray the expenses of service under this section.

19-63-102. Purchase for schools and school districts.

(a) The Division of Emergency Management may purchase surplus commodities, materials, supplies, equipment, and other property from the United States Government through any of its agencies for tax-supported schools and for school districts in Arkansas. The division may cooperate with the State Procurement Director in the purchase of school items.

(b) Schools and school districts desiring to obtain federal surplus materials, equipment, and similar property, shall apply to the division on blanks furnished by the division for that purpose.

(c) Schools and school districts applying to the division to purchase surplus materials, equipment, and other property from the United States Government shall pay cash for it by drawing a voucher or warrant in favor of the United States Government for the purchase price of the surplus materials, equipment, and other property.

19-63-103. Service charge.

(a) The Division of Emergency Management may add to the cost of surplus properties secured by the State Agency for Surplus Property an amount necessary to defray the expense of this service and to repay into the Revolving Loan Fund loans made to the agency as provided in this section.

(b) The division may establish service charges in such amounts as may be necessary to cover the expenses of the department in administering special

federal service programs for schools and agencies. These charges are to be paid by the school, institution, or agency in the amount designated by the division.

(c) The division shall take such action as is necessary to collect such charges and may, in its discretion, withhold from any state moneys over which the division has control funds necessary to pay the amounts owing by such school districts and agencies.

(d) It is the intention of the General Assembly that the schools and agencies shall pay for such services amounts sufficient to reimburse the division for expenses incurred in the operation of the federal Surplus Property Program and in the operation of special federal service programs.

19-63-104. Rural water associations.

Rural water associations are eligible to participate in the federal Surplus Property Program operated under Pub. L. No. 81-152 and Pub. L. No. 81-754 as now administered by the Division of Emergency Management.

19-63-105. Authority to transfer excess military property to state and local agencies — Service charge.

The Law Enforcement Support Office may:

(1) Cooperate with the United States Government under 10 U.S.C. § 2576a in the transfer of excess military property to state and local law enforcement agencies:

(A) Whose primary function is the enforcement of applicable federal, state, and local laws; and

(B) Whose compensated law enforcement officers have powers of arrest and apprehension, including without limitation counter-drug and counter-terrorism activities;

(2) Take any action necessary to the proper administration of the acquisition and the distribution of excess military properties to eligible claimants in this state, with distribution to be in accordance with the appropriate controlling federal statutes;

(3) Establish service charges in an amount necessary to cover the expenses of the Department of Public Safety incurred in administering this section; and

(4) Take action as necessary to collect service charges and,

from any state moneys over which the department has control, withhold funds necessary to pay an amount owing by a state or local law enforcement agency.

CHAPTER 64
ETHICS

Subchapter 1. General Provisions
Subchapter 2. Standards of Ethical Conduct
Subchapter 3. Remedies for Breach of Ethical Standards
Subchapter 4. Duties of Secretary of Department of Transformation and Shared Services
Subchapter 5. Miscellaneous Provisions

Subchapter 1 — General Provisions

19-64-101. Definitions.

As used in this chapter:

(1) “Blind trust” means an independently managed trust in which the employee-beneficiary does not have management rights and in which the employee-beneficiary is not given notice of alterations in or other dispositions of the property subject to the trust;

(2) “Business” means a corporation, partnership, individual, sole proprietorship, joint-stock company, joint venture, or any other legal entity;

(3) “Commodities” means all property, including without limitation:

(A) Equipment;

(B) Printing;

(C) Stationery;

(D) Supplies;

(E) Insurance; and

(F) Real property;

(4) “Confidential information” means information that is available to an employee only because of the employee’s status as an employee of this state and is not a matter of public knowledge or available to the public on request;

(5) "Conspicuously" means written in such special or distinctive format, print, or manner that a reasonable person against whom it is to operate ought to have noticed it;

(6)(A) "Contract" means any type of state agreement, regardless of what the state agreement is called, for the purchase or disposal of commodities and services.

(B) "Contract" includes:

(i) An award and a notice of award;

(ii) A contract of a fixed-price, cost, cost-plus-a-fixed-fee, or incentive type;

(iii) A contract providing for the issuance of job or task orders;

(iv) A lease;

(v) A letter contract;

(vi) A purchase order; and

(vii) A supplemental agreement with respect to any of the items under subdivisions (6)(B)(i)-(vi) of this section;

(7) "Contractor" means a person having a contract with a state agency;

(8) "Employee" means an individual drawing a salary from a state agency, whether elected or not, and a nonsalaried individual performing personal services for a state agency;

(9) "Financial interest" means:

(A) Ownership of any interest or involvement in a relationship from which, or as a result of which, a person within the past year has received, or is presently or in the future entitled to receive, more than one thousand dollars ($1,000) per year, or its equivalent;

(B) Ownership of more than a five percent (5%) interest in any business; or

(C) Holding a position in a business such as an officer, director, trustee, partner, employee, or the like, or holding a position of management;

(10) "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received;

(11) “Immediate family” means a spouse, child, parent, brother, sister, and grandparent;

(12) “Official responsibility” means direct administrative or operating authority, whether intermediate or final, either exercisable alone or with others, either personally or through subordinates, to approve, disapprove, or otherwise direct state action;

(13) “Person” means a business, individual, union, committee, club, or other organization or group of individuals;

(14)(A) “Procurement” means the buying, purchasing, renting, leasing, or otherwise obtaining of any commodities or services.

(B) “Procurement” includes all functions that pertain to the obtaining of a public procurement, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration;

(15) “Services” means technical, professional, or other services involving the furnishing of labor, time, or effort by a contractor; and

(16) “State agency” means an office, department, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branch of this state.

19-64-102. Penalties.

An employee or nonemployee who knowingly violates this chapter is guilty of an unclassified felony and upon conviction shall be fined in any sum not to exceed ten thousand dollars ($10,000) or shall be imprisoned not less than one (1) nor more than five (5) years, or shall be punished by both.

19-64-103. Statement of policy.

(a) Public employment is a public trust. It is the policy of the state to promote and balance the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by the state. The policy is implemented by prescribing essential restrictions against conflict of interest without creating unnecessary obstacles to entering public service.

(b) Public employees must discharge their duties impartially so as to assure fair competitive access to governmental procurement by responsible

contractors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of the state procurement organization.

(c) To achieve the purpose of this chapter, it is essential that those doing business with the state also observe the ethical standards prescribed in this chapter.

Subchapter 2 — Standards of Ethical Conduct

19-64-201. General standards of ethical conduct.

(a) General Ethical Standards for Employees.

(1) Any attempt to realize personal gain through public employment by conduct inconsistent with the proper discharge of the employee's duties is a breach of a public trust.

(2) In order to fulfill this general prescribed standard, an employee shall also meet the specific standards set forth in § 19-64-202, which refers to employee conflict of interest; § 19-64-203, which refers to employee disclosure requirements; § 19-64-204, which refers to gratuities and kickbacks; § 19-64-205, which refers to prohibition against contingent fees; § 19-64-206, which refers to restrictions on employment of present and former employees; and § 19-64-207, which refers to use of confidential information.

(b) General Ethical Standards for Nonemployees. Any effort to influence a public employee to breach the standards of ethical conduct set forth in this chapter is also a breach of ethical standards.

19-64-202. Employee conflict of interest.

(a) Conflict of Interest.

(1) It is a breach of ethical standards for an employee to participate directly or indirectly in a proceeding or application, in a request for ruling or other determination, in a claim or controversy, or in any other particular matter pertaining to a contract or subcontract, and any solicitation or proposal therefor, in which to the employee's knowledge:

(A) The employee or a member of the employee's immediate family has a financial interest;

(B) A business or organization has a financial interest, in which business or organization the employee, or a member of the employee's

immediate family, has a financial interest; or

(C) Any other person, business, or organization with whom the employee or a member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is a party.

(2) As used in this subsection, "participate directly or indirectly" includes without limitation involvement through decision, approval, disapproval, recommendation, preparation of any part of a procurement request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

(b) Financial Interest in a Blind Trust. When an employee or a member of the employee's immediate family holds a financial interest in a blind trust, the employee shall not be deemed to have a conflict of interest with regard to matters pertaining to that financial interest if disclosure of the existence of the blind trust has been made to the Secretary of the Department of Transformation and Shared Services.

(c) Discovery of Conflict of Interest, Disqualification, and Waiver. Upon discovery of a possible conflict of interest, an employee shall promptly file a written statement of disqualification with the secretary and withdraw from further participation in the transaction involved and, at the same time, may apply to the secretary in accordance with § 19-64-402 for an advisory opinion as to what further application, if any, the employee may have in the transaction, or for a waiver in accordance with § 19-64-403.

19-64-203. Employee disclosure requirements.

(a) Disclosure of Benefit Received from Contract. An employee who has or obtains a benefit from a state contract with a business in which the employee has a financial interest shall report the benefit to the Secretary of the Department of Transformation and Shared Services. However, this section does not apply to a contract with a business when the employee's interest in the business has been placed in a disclosed blind trust.

(b) Failure to Disclose Benefit Received. An employee who knows or should have known of a benefit described in subsection (a) of this section and fails to report the benefit to the secretary is in breach of the ethical standards of this section.

19-64-204. Gratuities and kickbacks.

(a) Gratuities. It is a breach of ethical standards for a person to offer, give, or agree to give an employee or former employee, or for an employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with a decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of a specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in a proceeding or application, request for ruling, determination, claim, or controversy, or other particular matter, pertaining to a contract or subcontract and any solicitation or proposal therefor.

(b) Kickbacks. It is a breach of ethical standards for a payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor, or a person associated therewith, as an inducement for the award of a subcontract or order.

19-64-205. Prohibition against contingent fees.

(a) Contingent Fees. It is a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a state contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the contractor for the purpose of securing business.

(b)(1) Representation of Contractor. Before being awarded a state contract other than by procedures set forth in the Arkansas Procurement Law, § 19-61-101 et seq., and rules promulgated under the Arkansas Procurement Law, § 19-61-101 et seq., for small purchases, every person shall represent, in writing, that the person has not retained anyone in violation of subsection (a) of this section.

(2) Failure to comply with this subsection is a breach of ethical standards.

(c) Notice. The representation prescribed in subsection (b) of this section shall be conspicuously set forth in all contracts and solicitations for contracts.

19-64-206. Restrictions on employment of present and former employees – Definition.

(a) Contemporaneous Employment Prohibited. It is a breach of ethical standards for an employee who is involved in procurement to become or be, while such an employee, the employee of a party contracting with the state agency by which the employee is employed.

(b) Restrictions on Former Employees in Matters Connected with Their Former Duties.

(1) Permanent Disqualification of Former Employee Personally Involved in a Particular Matter. It is a breach of ethical standards for a former employee knowingly to act as a principal or as an agent for anyone other than the state in connection with any:

(A) Judicial or other proceeding, application, request for a ruling, or other determination;

(B) Contract;

(C) Claim; or

(D) Charge or controversy,

in which the employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while an employee, when the state is a party or has a direct and substantial interest.

(2) One-Year Representation Restriction Regarding Matters for Which a Former Employee Was Officially Responsible. It is a breach of ethical standards for any former employee, within one (1) year after cessation of the former employee's official responsibility in connection with any:

(A) Judicial or other proceeding, application, request for a ruling, or other determination;

(B) Contract;

(C) Claim; or

(D) Charge or controversy,

knowingly to act as a principal or as an agent for anyone other than the state in matters that were within the former employee's official responsibility, when the state is a party or has a direct or substantial interest.

(c) Disqualification of Partners.

(1) When Partner Is a State Employee.

It is a breach of ethical standards for a person who is a partner of an employee knowingly to act as a principal or as an agent for anyone other than the state in connection with any:

(A) Judicial or other proceeding, application, request for a ruling, or other determination;

(B) Contract;

(C) Claim; or

(D) Charge or controversy,

in which the employee either participates personally and substantially through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which is the subject of the employee's official responsibility, when the state is a party or has a direct and substantial interest.

(2) When a Partner Is a Former State Employee. It is a breach of ethical standards for a partner of a former employee knowingly to act as a principal or as an agent for anyone other than the state when the former employee is barred under subsection (b) of this section.

(d) Selling to State After Termination of Employment Is Prohibited.

(1) It is a breach of ethical standards for a former employee, unless the former employee's last annual salary based on the state fiscal year did not exceed fifteen thousand dollars ($15,000), to engage in selling or attempting to sell commodities or services, including technical or professional consultant services, to the state for one (1) year following the date employment ceased.

(2) As used in this subsection, "selling or attempting to sell" means:

(A) Signing a bid, proposal, or contract;

(B) Negotiating a contract;

(C) Contacting an employee for the purpose of obtaining, negotiating, or discussing changes in specifications, price, cost allowances, or other terms of a contract;

(D) Settling disputes concerning performance of a contract; or

(E) Any other liaison activity with a view toward the ultimate consummation of a sale although the actual contract for the sale is

subsequently negotiated by another person.

(e)(1) This section does not preclude a former employee from accepting employment with private industry solely because his or her employer is a contractor with this state.

(2) This section does not preclude an employee, a former employee, or a partner of an employee or former employee from filing an action as a taxpayer for alleged violations of this subchapter.

19-64-207. Use of confidential information.

It is a breach of ethical standards for an employee or former employee knowingly to use confidential information for actual or anticipated personal gain or for the actual or anticipated personal gain of any other person.

19-64-208. Public access to procurement information.

Procurement information is a public record to the extent provided in the Freedom of Information Act of 1967, § 25-19-101 et seq., except as otherwise provided in this chapter and the Arkansas Procurement Law, § 19-61-101 et seq.

Subchapter 3 — Remedies for Breach of Ethical Standards

19-64-301. Civil and administrative remedies against employees who breach ethical standards.

(a) Existing Remedies Not Impaired. Civil and administrative remedies against employees that are in existence on July 1, 1979, shall not be impaired.

(b) Supplemental Remedies. In addition to existing remedies for breach of the ethical standards of this chapter, or rules promulgated under this chapter, the Secretary of the Department of Transformation and Shared Services may impose any one (1) or more of the following upon an employee:

(1) Oral or written warnings or reprimands;

(2) Forfeiture of pay without suspension;

(3) Suspension with or without pay for specified periods of time; and

(4) Termination of employment.

(c) Right to Recover from Employee Value Received in Breach of Ethical

Standards. The value of anything received by an employee in breach of the ethical standards of this chapter, or rules promulgated under this chapter, is recoverable by the state as provided in § 19-64-303, which refers to recovery of value transferred or received in breach of ethical standards.

(d) Due Process. Notice and an opportunity for a hearing shall be provided before imposition of any of the remedies set forth in subsection (b) of this section.

19-64-302. Civil and administrative remedies against nonemployees who breach ethical standards.

(a) Existing Remedies Not Impaired. Civil and administrative remedies against nonemployees that are in existence on July 1, 1979, shall not be impaired.

(b) Supplemental Remedies. In addition to the existing remedies for breach of the ethical standards of this chapter, or rules promulgated under this chapter, the Secretary of the Department of Transformation and Shared Services may impose any one (1) or more of the following upon a nonemployee:

(1) Oral or written warnings or reprimands;

(2) Termination of transactions; and

(3) Suspension or debarment from being a contractor or subcontractor under state contracts.

(c) Right to Recover from Nonemployee Value Transferred in Breach of Ethical Standards. The value of anything transferred in breach of the ethical standards of this chapter, or rules promulgated under this chapter, by a nonemployee is recoverable by the state from the nonemployee as provided in § 19-64-303, which refers to recovery of value transferred or received in breach of ethical standards.

(d) Due Process. Notice and an opportunity for a hearing shall be provided before imposition of any of the remedies set forth in subsection (b) of this section.

19-64-303. Recovery of value transferred or received in breach of ethical standards.

(a) General Provisions. The value of anything transferred or received in breach of the ethical standards of this chapter, or rules promulgated under this chapter, by an employee or a nonemployee may be recovered from

both the employee and the nonemployee.

(b) Recovery of Kickbacks by the State.

(1)(A) Upon a showing that a subcontractor made a kickback to a prime contractor or a higher tier subcontractor in connection with the award of a subcontract or order under a subcontract, it shall be conclusively presumed that the amount of the kickback was included in the price of the subcontract or order and ultimately borne by the state and is recoverable under this chapter from the recipient.

(B) In addition, the amount of the kickback under subdivision (b)(1)(A) of this section may also be recovered from the subcontractor making the kickback.

(2) Recovery from one (1) offending party under this section does not preclude recovery from other offending parties.

Subchapter 4 — Duties of Secretary of the Department of Transformation and Shared Services

19-64-401. Rules.

The Secretary of the Department of Transformation and Shared Services shall promulgate rules to implement this chapter and shall do so in accordance with this chapter and the applicable provisions of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

19-64-402. Advisory opinions.

(a)(1) On written request of an employee or contractor and in consultation with the Attorney General, the Secretary of the Department of Transformation and Shared Services may render a written advisory opinion regarding the appropriateness of the course of conduct to be followed in a proposed transaction.

(2) A request and a written advisory opinion under subdivision (a)(1) of this section may be published in the manner in which rules of this state are published.

(b) Compliance with the requirements of a written advisory opinion of the secretary rendered under this section constitutes compliance with the ethical standards of this chapter.

19-64-403. Waiver.

(a) On written request of an employee, the Secretary of the Department of Transformation and Shared Services may grant the employee a written waiver from the application of § 19-64-202, which refers to employee conflict of interest, and grant permission to proceed with the transaction to such extent and upon such terms and conditions as may be specified.

(b) Waiver and permission under this section may be granted when the interests of the state require the waiver or permission or when the ethical conflict is insubstantial or remote.

Subchapter 5 — Miscellaneous Provisions

19-64-501. Participation in business incubators — Rules and guidelines.

(a) This chapter does not apply to faculty or staff of state-supported institutions of higher education participating in business incubators within this state.

(b)(1) The Secretary of the Department of Transformation and Shared Services shall promulgate rules pursuant to the procedure for adoption as provided under the Arkansas Administrative Procedure Act, § 25-15-201 et seq., and under § 10-3-309 to implement a program allowing admittance to business incubators by faculty or staff of state-supported institutions of higher education or admittance by companies in which faculty or staff of state-supported institutions of higher education may hold an ownership interest.

(2) The program under this section may include guidelines setting forth full disclosure requirements, any limitations on ownership interests, maximum income amounts to be received, annual reporting to the General Assembly, mandatory levels of student participation and such other reasonable restrictions and requirements as are necessary to maintain the public trust while encouraging the facilitation of commercialization of university-generated technology or discovery.

19-64-502. Contracts or proposals between state-supported institution of higher education and its employees or former employees.

(a)(1) Notwithstanding anything in this chapter to the contrary, if,

in either of the events in subdivisions (a)(1)(A) and (B) of this section, the contract or subcontract, solicitation, or proposal involves patents, copyrights, or other proprietary information in which a state-supported institution of higher education and an employee or former employee of the state-supported institution of higher education have rights or interests, provided that a contract or subcontract shall be approved by the governing board of the state-supported institution of higher education in a public meeting, it shall not be a violation of § 19-64-206, a conflict of interest, or a breach of ethical standards for:

(A) The state-supported institution of higher education to contract with a person or firm in which an employee or former employee of the state-supported institution of higher education has a financial interest; or

(B) The employee or former employee of the state-supported institution of higher education to participate directly or indirectly in a matter pertaining to a contract, subcontract, solicitation, or proposal for a contract or subcontract between a state-supported institution of higher education and a person or firm in which the employee or former employee has a financial interest.

(2)(A) Within thirty (30) days of the approval by the governing board of a state-supported institution of higher education of a contract, subcontract, solicitation, or proposal executed under subdivision (a)(1) of this section, the state-supported institution of higher education shall file a summary of the contract, subcontract, solicitation, or proposal with the president of the state-supported institution of higher education.

(B) Failure to file the required summary with the president of the state-supported institution of higher education as required under subdivision (a)(2)(A) of this section renders the contract null and void.

(b)(1) The Arkansas Procurement Law, § 19-61-101 et seq., and § 19-67-101 et seq. do not prevent a state agency from contracting for goods or services, including professional or consultant services, with an organization that employs or contracts with a regular, full-time, or part-time employee of a state-supported institution of higher education in situations in which the employee of the state-supported institution of higher education will provide some or all of the goods or services under the contract.

(2) An organization or state agency entering into a contract

described under this subsection shall comply with the Arkansas Procurement Law, § 19-61-101 et seq., and § 19-67-101 et seq. to the extent that the Arkansas Procurement Law, § 19-61-101 et seq., and § 19-67-101 et seq. do not conflict with this section.

(3) An employee of a state-supported institution of higher education who provides goods or services to a state agency through his or her association with an organization that has a contract with the state agency to provide goods or services shall obtain the requisite approvals under the policies of the state-supported institution of higher education by which he or she is employed and comply with all provisions of this chapter.

(c)(1) No later than January 31 each year, an employee or former employee contracting or receiving benefits under this section shall file with the Secretary of State on a form provided by the Secretary of State a disclosure of the type and amount of the contract or benefits received during the previous year.

(2) Failure to file the required form with the Secretary of State as required under subdivision (c)(1) of this section is a breach of ethical standards.

19-64-503. Special state employees — Conflicts of interest — Definitions.

(a) As used in this section:

(1)(A) "Conflict of interest" means a special state employee's direct or indirect pecuniary or other interest in a matter before a covered board.

(B) "Conflict of interest" includes without limitation the following:

(i) An offer of employment from an entity that is involved in a procurement matter with the covered board or is involved in a discussion of a procurement matter with the covered board;

(ii) Being an officer or employee of a business, association, or nonprofit organization that is involved in a procurement matter with the covered board or is involved in a discussion of a procurement matter with the covered board; and

(iii) Receiving compensation from an entity that is involved in a procurement matter or is involved in a discussion of a

procurement matter with the covered board;

(2)(A) "Covered board" means:

(i) A commission, board, bureau, office, or other state instrumentality created within the executive branch; and

(ii) An entity that is created by rule, statute, legislative direction, executive order, or other informal means if the entity has decision-making authority over procurement criteria, contracts, appointment of individuals to negotiate procurement directly or indirectly, or the approval of procurements.

(B) "Covered board" does not include the following:

(i) The constitutional departments of the state;

(ii) The elected constitutional offices of the state;

(iii) The General Assembly, including the Legislative Council, the Legislative Joint Auditing Committee, and supporting agencies and bureaus of the General Assembly;

(iv) The Supreme Court;

(v) The Court of Appeals;

(vi) The circuit courts;

(vii) Prosecuting attorneys;

(viii) The Administrative Office of the Courts;

(ix) An institution of higher education;

(x) A municipal government;

(xi) A county government;

(xii) An interstate agency; or

(xiii) A legislative task force or committee if the legislative task force or committee only advises the General Assembly; and

(3)(A) "Special state employee" means a person appointed to a covered board, whether or not the person:

(i) Receives compensation for his or her services;

(ii) Receives reimbursement for travel expenses;

(iii) Receives per diem; or

(iv) Was appointed formally or informally.

(B) "Special state employee" does not include a constitutional officeholder or an ex officio or nonvoting member of an entity described in subdivision (a)(2)(A) of this section.

(b) A special state employee shall disclose a conflict of interest in a procurement matter before the covered board:

(1) Either:

(A) In writing to the head of the covered board; or

(B) Orally or in writing at a public meeting of the covered board if the disclosure is included in the minutes of the public meeting; and

(2) By filing a conflict of interest disclosure report with the Secretary of State within five (5) business days of the date the special state employee becomes aware of the conflict of interest.

(c) A special state employee shall not vote on, receive or read confidential materials related to, participate in discussion of, or attempt to influence the covered board's decision on a procurement matter if the special state employee has a conflict of interest in the procurement matter.

(d) A special state employee who is a lobbyist registered under § 21-8-601 shall recuse himself or herself from a procurement matter before the covered board if:

(1) The special state employee receives compensation as a lobbyist from an entity involved in the procurement matter; or

(2) The procurement matter involves a person or entity that is a competitor of a lobbying client of the special state employee.

(e) A special state employee or former special state employee shall not:

(1) Represent an entity other than the state in a matter in which he or she participated in making a decision, rendering approval or disapproval, making a recommendation, or rendering advice on behalf of the covered board; or

(2) Assist or represent a party for contingent compensation in a matter involving a covered board other than in a judicial, administrative, or quasi-judicial proceeding.

(f) A former special state employee shall not lobby a member or the staff of a covered board of which he or she is a former member for one (1) year after the cessation of the special state employee's membership on the covered board.

(g) A contract entered into by a covered board, including a renewal, extension, or amendment of a contract entered into by a covered board, shall

include a statement that a special state employee has not been influenced by the vendor in the course of the procurement.

(h)(1) A complaint about a violation of this section may be filed with the Arkansas Ethics Commission.

(2) A violation of this section is grounds for discipline or removal of the special state employee by the commission.

(i) The commission shall promulgate rules regarding disciplinary and removal proceedings for special state employees.

CHAPTER 65
PROCUREMENT OF PROFESSIONAL SERVICES

Subchapter 1. General Provisions
Subchapter 2. Certain Professional Services Procured by the State and Political Subdivisions

Subchapter 1 — General Provisions

19-65-101. Policy.

(a) It is the policy of the State of Arkansas that state agencies shall follow the procedures stated in this section, except that competitive bidding shall not be used for the procurement of legal, architectural, engineering, construction management, and land surveying professional consultant services if:

(1) State agencies not exempt from review and approval of the Building Authority Division shall follow procedures established by the division for the procurement of architectural, engineering, land surveying, and construction management services; and

(2) Institutions of higher education exempt from review and approval of the division shall follow procedures established by their governing boards for the procurement of architectural, engineering, land surveying, and construction management professional consultant services.

(b) It is the policy of the State of Arkansas and its political subdivisions that political subdivisions shall follow the procedures stated in this section, except that competitive bidding shall not be used for the procurement of legal, financial advisory, architectural, engineering,

construction management, and land surveying professional consultant services.

(c) For purposes of this chapter, a political subdivision of the state may elect not to use competitive bidding for other professional services not listed in subsection (b) of this section with a two-thirds (⅔) vote of the political subdivision's governing body.

19-65-102. Definitions.

As used in this chapter:

(l)(A) "Construction management" means a project delivery method based on an agreement in which a state agency, political subdivision, public school district, or institution of higher education acquires from a construction entity a series of services that include without limitation design review, scheduling, cost control, value engineering, constructability evaluation, preparation and coordination of bid packages, and construction administration.

(B) "Construction management" includes without limitation:

(i)(a) "Agency construction management", in which a political subdivision selects a construction manager to serve as an agent for the purpose of providing administration and management services.

(b) The construction manager shall not hold subcontracts for the project or provide project bonding for the project;

(ii) "At-risk construction management", in which the construction entity, after providing agency services during the preconstruction period, serves as the general contractor and the following conditions are met:

(a) The construction manager provides a maximum guaranteed price;

(b) The political subdivision holds all trade contracts and purchase orders; and

(c) The portion of the project not covered by the trade contracts is bonded and guaranteed by the construction manager; and

(iii)(a) "General contractor construction management", in which the construction entity, after providing agency services during the preconstruction period, serves as the general contractor.

(b) The general contractor shall hold all trade contracts and purchase orders and shall bond and guarantee the project;

(2) “Political subdivision” means a county, school district, city of the first class, city of the second class, incorporated town, and all other bodies politic; and

(3) “Other professional services” means professional services not listed in § 19-65-101(b) as defined by a political subdivision with a two-thirds (⅔) vote of its governing body.

Subchapter 2 — Certain Professional Services Procured by the State and Political Subdivisions

19-65-201. Annual statements of qualifications — Restrictions on competitive bidding.

(a) In the procurement of professional services, a state agency or political subdivision that utilizes the professional services may encourage firms engaged in the lawful practice of professions offering professional services to submit annual statements of qualifications to the state agency or political subdivision or may request such information as needed for a particular public project.

(b) The state agency or political subdivision shall evaluate current statements of qualifications of firms on file or may request such information as needed for a particular public project whenever a project requiring professional services is proposed.

(c)(1) A political subdivision shall not use competitive bidding for the procurement of legal, financial advisory, architectural, engineering, construction management, and land surveying professional consulting services.

(2) A political subdivision shall not use competitive bidding for the procurement of other professional services without a two-thirds (⅔) vote of the political subdivision’s governing body.

(d)(1) A public school district that utilizes construction management services shall encourage construction management firms to submit to the school district annual statements of qualifications or may request such information as needed for a particular public project.

(2) The public school district shall evaluate current statements of qualifications on file with the public school district or when submitted as requested whenever a project requiring professional services of a construction manager is proposed.

(3) The public school district shall not use competitive bidding for the procurement of professional services of a construction manager.

(e)(1) A request for qualifications under this section may be used for certain procurements through a request for qualifications other than legal, architectural, engineering, construction management, land surveying, and interior design services if the:

(A) State Procurement Director approves the use of a request for qualifications and determines that it is the most suitable method of procurement; and

(B) Approval of the director under subdivision (e)(1)(A) of this section is submitted to the Legislative Council for review.

(2) In determining whether a request for qualifications under this subsection is the most suitable method of procurement, the director shall consider, based on information submitted by the requesting state agency:

(A) Why the request for qualifications is the most suitable method of procurement;

(B) Why cost should not be considered in the procurement; and

(C) How the cost of the contract will be controlled if cost is not a factor in the procurement.

19-65-202. Evaluation of qualifications.

In evaluating the qualifications of each firm, the state agency or political subdivision shall consider:

(1) The specialized experience and technical competence of the firm with respect to the type of professional services required;

(2) The capacity and capability of the firm to perform the work in question, including specialized services, within the time limitations fixed for the completion of the project;

(3) The past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules and deadlines; and

(4) The firm’s proximity to and familiarity with the area in which the project is located.

19-65-203. Selection.

(a) A state agency or political subdivision shall select three (3) qualified firms under this chapter.

(b) The state agency or political subdivision shall then select the firm considered the best-qualified and capable of performing the desired work and negotiate a contract for the project with the firm selected.

19-65-204. Negotiation of contracts.

(a) For the basis of negotiations under this chapter, a state agency or political subdivision and the selected firm shall jointly prepare a detailed, written description of the scope of the proposed services.

(b)(1)(A) If a state agency or political subdivision is unable to negotiate a satisfactory contract under this chapter with the firm selected, negotiations with that firm shall be terminated.

(B) The state agency or political subdivision shall then undertake negotiations with another of the qualified firms selected.

(2)(A) If there is a failing of accord with the second firm, negotiations with the firm shall be terminated.

(B) The state agency or political subdivision shall then undertake negotiations with the third qualified firm.

(c) If a state agency or political subdivision is unable to negotiate a contract with any of the selected firms under this chapter, the state agency or political subdivision shall reevaluate the necessary professional services, including the scope and reasonable fee requirements, again compile a list of qualified firms, and proceed in accordance with this chapter.

(d) When unable to negotiate a contract for construction management under this chapter, a public school district also shall perform a reevaluation of services in accordance with subsection (c) of this section.

19-65-205. Design-build construction — Definitions.

(a) As used in this section:

(1) “Design-build” means a project delivery method in which the school district acquires both design and construction services in the same contract from a single legal entity, referred to as the “design-builder”, without competitive bidding;

(2)(A) “Design-builder” means any individual, partnership, joint

venture, corporation, or other legal entity that is appropriately licensed in the State of Arkansas and that furnishes the necessary design services, in addition to the construction of the work, whether by itself or through subcontracts, including without limitation subcontracts for architectural services, landscape architectural services, and engineering services.

(B) Architectural services, landscape architectural services, and engineering services shall be performed by an architect, landscape architect, or engineer licensed in the State of Arkansas.

(C) Construction contracting shall be performed by a contractor qualified and licensed under Arkansas law; and

(3) "Design-build contract" means the contract between the school district and a design-builder to furnish the architecture, engineering, and related services as required and to furnish the labor, materials, and other construction services for the same project.

(b)(1) A school district may use design-build construction as a project delivery method for building, altering, repairing, improving, maintaining, or demolishing any structure, or any improvement to real property owned by the school district.

(2) The design-builder shall contract directly with subcontractors and shall be responsible for the bonding of the project.

(3) A project using design-build construction shall comply with state and federal law.

(c) The Division of Public School Academic Facilities and Transportation shall develop and promulgate rules consistent with this section concerning the use of design-build construction by school districts.

CHAPTER 66

PURCHASES OF WORK CENTER PRODUCTS AND SERVICES

19-66-101. Definitions.

As used in this chapter:

(1) "Commodities" means all property, including without limitation equipment, printing, stationery, supplies, and insurance, but excluding real property, leases on real property, or a permanent interest in real property;

(2) "Fiscal year" means July 1 of one (1) year through June 30

of the next year;

(3) "Individuals with disabilities" means those persons who have a medically or psychiatrically determined physical, mental, or developmental disability constituting a substantial vocational handicap;

(4) "Ordering office" means a state department, independent establishment, board, commission, bureau, service, or division of state government and a wholly owned state corporation;

(5) "Products" means commodities or services for which the price of the commodities includes at least twenty percent (20%) value added when the work center is awarded a contract using the ten percent (10%) preference, and in the case of services, that the services are performed by individuals with disabilities;

(6)(A) "Services" means the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports that are merely incidental to the required performance.

(B) "Services" does not include employment agreements, collective bargaining agreements, or architectural or engineering contracts requiring approval of the Building Authority Division;

(7) "Sheltered workshop" means a work center that has:

(A) Certification from the United States Department of Labor as a sheltered workshop; and

(B) Been licensed by the Division of Developmental Disabilities Services or certified by Arkansas Rehabilitation Services;

(8)(A) "Work center" means a facility certified by Arkansas Rehabilitation Services where any manufacture or handiwork is carried on and that is operated for the primary purpose of providing evaluation, training, and gainful employment to individuals with disabilities in Arkansas:

(i) As an interim step in the rehabilitation process for those individuals with disabilities in Arkansas who cannot be readily absorbed in the competitive labor market; or

(ii) During such time as employment opportunities for the individuals with disabilities in Arkansas in the competitive labor market do not exist.

(B) "Work center" includes without limitation:

(i) A sheltered work center; and

(ii) A work center for the blind; and

(9) "Work center for the blind" means a facility certified by the Division of State Services for the Blind where the manufacture, handiwork, or provision of services is carried on and that is operated to provide evaluation, training, and gainful employment to individuals in the State of Arkansas eligible for services from the Division of State Services for the Blind:

(A) As an interim step in the rehabilitation process for those individuals in the State of Arkansas eligible for service from the Division of State Services for the Blind who cannot be readily absorbed in the competitive labor market;

(B) During such time as employment opportunities for individuals in the State of Arkansas eligible for service from the Division of State Services for the Blind in the competitive labor market do not exist; or

(C) For whom such placement represents informed choice as appropriate employment at a competitive wage.

19-66-102. Purchase required — Exception.

(a) All suitable commodities and services, including small purchases, procured according to applicable state specifications by or for a state department, institution, or agency shall be procured from nonprofit work centers for individuals with disabilities in all cases when the commodities and services are available within the period specified and at the fair market price for the commodities and services so procured.

(b) Services offered by work centers shall be procured by competitive sealed bidding as specified by § 19-61-505, competitive sealed proposals as specified by § 19-61-506, or competitive bidding as specified by § 19-61-504, subject to purchase exceptions set forth in § 19-66-103 — 19-66-105.

(c) This section does not apply in any cases in which commodities and services are available for procurement from a state department, institution, or agency, and procurement from the state department, institution, or agency is required under a law in effect on or after March 1, 1991.

19-66-103. Purchase required — Schedule of commodities and services — Failure by work center.

(a) All state agencies as defined in § 19-61-103 are required to

purchase their requirements of needed available and suitable products and purchase suitable services from nonprofit work centers for individuals with disabilities, unless such products and services are authorized by prior legislation for production in another state agency, department, or institution.

(b)(1) The Office of State Procurement shall issue to all state agency purchasing agents a schedule of commodities and services made by work centers and the conditions under which commodities and services are to be procured from the work centers.

(2) The schedule shall include the commodity or service description.

(c) When a commodity or service is identified in the schedule of work center-made commodities and services as being available through the Office of State Procurement, the commodity or service shall be obtained in accordance with the requisitioning procedures of the supplying state agency.

(d)(1) An ordering office may purchase from a non-work-center source commodities or services listed in the schedule of commodities and services made by the work center in any of the following circumstances:

(A) Necessity requires delivery within the specified period, and the work center cannot give assurance of positive availability; or

(B) When commodities listed on the schedule of work-center-made commodities can be purchased from a non-work-center source by the state agency for a price more than ten percent (10%) lower than commodities made by the work center included in the schedule.

(2) Services offered by any work center shall be procured by any state agency in accordance with this section at a price not more than ten percent (10%) above the lowest price submitted from a non-work-center source.

(e) Product commodities made by a work center shall be delivered in accordance with the terms of the purchase order.

(f) When a work center fails to comply with the terms of a government order, the ordering office shall make reasonable efforts to negotiate an adjustment before taking action to cancel the government order.

19-66-104. Work center qualification.

(a) Arkansas Rehabilitation Services and the Division of State

Services for the Blind shall undertake the inspection on a continuing basis of the work centers certified by each respective state agency to determine that the work centers operate in accordance with the requirements of this chapter and the rules promulgated under this chapter.

(b)(1) In order to qualify for participation in the program as a work center, an organization shall submit an application to the Office of State Procurement.

(2) If required for all vendors, the organization shall include in the application a list of the commodities and services offered for sale to the state.

(c) A work center shall:

(1) Furnish commodities and services in strict accordance with the allocation and government order;

(2) Maintain records of wages paid, hours of employment, and sales;

(3) Make available pertinent books and records of the state agency for inspection at any reasonable time to representatives of Arkansas Rehabilitation Services or the Division of State Services for the Blind, as applicable; and

(4)(A) Submit to Arkansas Rehabilitation Services or the Division of State Services for the Blind, as applicable, by September 1 an annual report for the preceding fiscal year.

(B) The annual report under subdivision (c)(4)(A) of this section shall include:

(i) Data on individuals with disabilities who are workers;

(ii) Wages and wage supplements;

(iii) Hours of employment;

(iv) Sales;

(v) Whether the work center requires a facilities-sheltered workshop certificate from the United States Department of Labor and special minimum rates authorized where the certificate is held; and

(vi) Such other relevant information as may be required.

19-66-105. Rules — Violations.

(a) The Office of State Procurement shall promulgate rules governing implementation of this chapter.

(b)(1) The office shall investigate an alleged violation of the rules promulgated under this chapter.

(2) The office shall notify the work center concerned in the investigation by the office under subdivision (b)(1) of this section and afford the work center an opportunity to submit a statement of facts and evidence.

CHAPTER 67

PROFESSIONAL AND CONSULTANT SERVICES CONTRACTS

Subchapter 1. General Provisions
Subchapter 2. Procedural Requirements — Guidelines and Rules

Subchapter 1 — General Provisions

19-67-101. Definitions.

As used in this chapter:

(1) "Consultant services contract" means a contract between a state agency and an individual or organization in which:

(A) The service to be rendered to the state agency or to a third-party beneficiary under the contract is primarily the giving of advice by the contractor on a particular problem facing the state agency or the third-party beneficiary;

(B) The contractor is an independent contractor with respect to the state agency;

(C) The state agency does not exercise managerial control over the day-to-day activities of the contractor; and

(D) The contract specifies the results expected from the services to be rendered by the contractor and the advice or assistance to be provided;

(2) "Contractor" means a person or organization that executes a contract with a state agency under which the person or organization agrees to provide professional services or consultant services to the state agency, and the individuals performing the services are not state employees occupying

regular full-time or part-time or extra help positions provided by law;

(3)(A) "Design professional contract" means a contract that is primarily for:

(i) Minor projects that are time-critical; and

(ii) Remodeling projects that do not exceed two million dollars ($2,000,000) in cost.

(B) Design professional contracts are primarily for the procurement of architectural, engineering, and professional services competitively selected under §§ 19-65-101, 19-65-102, and 19-65-201 — 19-65-205.

(C) Design professional contracts shall be reviewed by the state agency or institution at least yearly and adjusted to reflect historical expenditures.

(D)(i) A state agency shall follow applicable Building Authority Division guidelines, procedures, and rules for the selection and award of contracts.

(ii) However, a guideline, procedure, or rule of the division shall not increase or decrease the:

(a) Dollar amount under subdivision (3)(A)(ii) of this section; or

(b) Specified period under § 19-61-512(a).

(E) Institutions of higher education that are exempt from review and approval of the division shall comply with this section;

(4) "Employee" means an individual drawing a salary from a state agency, whether elected or not, and any nonsalaried individual performing professional services for any state agency;

(5) "Professional services contract" means a contract between a state agency and a contractor in which:

(A) The relationship between the contractor and the state agency is that of an independent contractor rather than that of an employee;

(B) The services to be rendered consist of the personal services of an individual that are professional in nature;

(C) The state agency does not have direct managerial control over the day-to-day activities of the individual providing the services;

(D) The contract specifies the results expected from the

rendering of the services rather than detailing the manner in which the services shall be rendered; and

(E) Services rendered under a professional services contract are rendered to the state agency itself or to a third-party beneficiary; and

(6) "State agency" means a department, agency, board, commission, or institution of higher education of the State of Arkansas.

19-67-102. Purpose of contracts.

The principal purpose of a professional services contract or a consultant services contract is the procurement of services by the state agency rather than the procurement of commodities.

19-67-103. Contracts exempted.

This chapter does not apply to:

(1) The contracts of the Arkansas Department of Transportation that are covered by the technical work requirements and administrative controls of the Federal Highway Administration;

(2) Contracts entered into by the department in which the costs and fees are established by competitive bidding;

(3) Contracts of institutions of higher education that are for services related to patents, copyrights, or trademarks; or

(4) Contracts created under federally approved state plans for services reimbursed under Title V of the Social Security Act, 42 U.S.C. §§ 701 — 710, or Title XIX of the Social Security Act, 42 U.S.C. §§ 1396 — 1396v, as they existed on January 1, 2001, if those contracts and services conform to all applicable federal laws and rules, and to the ethical standards provided for in § 19-64-201.

19-67-104. Restrictions on contracts.

(a) A contract under this chapter shall not be used to avoid the purpose or the spirit of the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq.

(b) A contract shall not be approved that would be in violation of § 19-4-701 et seq. relating to expenditures.

(c)(1) Except as provided in this subsection, a state agency shall not

engage in a professional services or consultant services contract with a part-time or full-time employee who occupies a position authorized to be paid from extra help or regular salaries for a state agency, except as provided in § 21-1-403.

(2) However, this subsection does not prohibit an institution of higher education from executing a contract with a state agency under which professional or consulting services will be performed by employees of the institution of higher education.

(3) An employee of an institution of higher education performing professional or consulting services to a state agency may receive additional compensation if:

(A) The institution of higher education requests and receives written approval from the Commissioner of the Division of Higher Education concerning the amount of additional compensation to be paid to any employee; and

(B) The total salary payments received from the employee's regular salaried position and amounts received for services performed under a professional services contract do not exceed one hundred twenty-five percent (125%) of the maximum annual salary authorized by law for the employee's position with the institution of higher education.

(d) A director or any other department head of a state agency shall not receive additional compensation under this chapter.

(e)(1) A contract under which a state agency retains day-to-day managerial control over the person performing the services or in which the relationship between the contractor and the state agency is that of employer and employee is not a professional services contract and is prohibited.

(2) However, the Division of Information Systems may employ persons over whom they exercise day-to-day managerial control for those services under § 25-4-112 for which professional services contracts may be used.

Subchapter 2 — Procedural Requirements — Guidelines and Rules

19-67-201. General guidelines and rules.

The State Procurement Director, after soliciting suggestions from state agencies and after seeking and receiving the advice of the Attorney General

and review by the Legislative Council or by the Joint Budget Committee, if the General Assembly is in session, shall publish general guidelines for the procurement of professional and consultant services contracts and general rules governing the use of each type of contract.

19-67-202. Certification by agency head.

The head of a state agency shall certify by his or her signature on each contract entered into by that state agency that:

(1) All information required by law and by rule is supplied;

(2) The proper contracting form is utilized;

(3) All information contained in the contract is true and correct to the best of his or her knowledge and belief;

(4) All general guidelines prescribed by the State Procurement Director have been complied with;

(5) The services proposed to be provided under the contract are necessary for operation of the state agency in fulfilling its legal responsibilities and cannot be provided by any existing state agency;

(6) The contractor is fully qualified to perform the contract and does not have a vested interest in the subject matter of the contract that would constitute a conflict of interest and a bar to the contractor's providing services of a professional and disinterested quality;

(7) The contract terms are reasonable and the benefits to be derived are sufficient to warrant the expenditure of the funds called for in the contract;

(8) Sufficient funds are available to pay the obligations when the obligations become due; and

(9) A projected total cost of the contract is provided to include expenditures that may be incurred under all available periods of extension if the extensions were executed.

19-67-203. Approval or disapproval of contracts.

(a) The State Procurement Director may make whatever additional inquiry he or she deems necessary and may require that additional information be supplied if he or she has reason to believe that the contract should be rejected because it does not comply with this chapter.

(b) The director shall return to the contracting state agency any

contract that fails to comply with the applicable laws and rules governing the contract and shall approve any contract that complies with this chapter.

(c)(1) The director has final authority over the supervision and approval of all contracts described in this chapter.

(2) However, the director shall seek review of the Legislative Council or the Joint Budget Committee before approving or disapproving any contract or class or group of contracts authorized under this chapter, unless the Legislative Council or Joint Budget Committee specifically exempts the contract or class or group of contracts by formal committee action.

19-67-204. Filing of contracts.

Service contracts filed with a state agency under § 19-4-1108 shall be available for public inspection and auditing purposes.

19-67-205. Review requirement.

(a)(1) Every contract for professional consultant services covered by this chapter that is executed using the professional and consultant services contract form approved by the State Procurement Director shall be filed with the Office of State Procurement.

(2) The execution date of all contracts shall be defined as the date upon which performance of the services to be rendered under the contract is to begin and not the date upon which the agreement was made.

(b)(1) A purchase order shall not be paid if a copy of the contract under which the payment is being made has not previously been filed with the Office of State Procurement.

(2) A payment shall not be made covering services rendered before the execution date of the contract.

(c)(1) It is the intent of the General Assembly that this section be strictly construed and enforced.

(2) However, in the unusual event that an obligation for services has been incurred by a state agency under a contractual agreement or proposed contract before the approval of the contract, the Chief Fiscal Officer of the State may approve payment for such services after having first received the review of the Legislative Council.

19-67-206. Standard contract forms.

(a) The State Procurement Director shall prescribe standard forms to be utilized by all state agencies.

(b) The standard contract form shall include the following items, plus such additional items as the director shall deem desirable for the purposes of this chapter:

(1) A section setting forth in reasonable detail the objectives and scope of the contractual agreement and the methods to be used to determine whether the objectives specified have been achieved;

(2) The rates of compensation, transportation, per diem, subsistence, out-of-pocket allowances, and all other items of costs contemplated to be paid the contractor by the state agency;

(3) The method by which the rate of compensation and the total payment shall be calculated;

(4) The maximum number of dollars that the state agency may be obligated to pay to the contractor under the terms of the contract, including all expenses and other items of costs, and the source of funding to be utilized;

(5) The term of the contract;

(6)(A) The names of all individuals who will be supplying services to the state agency or to third-party beneficiaries under the terms of the contract, so far as those names are known to the contractor at the time of the execution of the contract.

(B) If the names of all individuals supplying services under the contract are not available at the time of the execution of the contract, the contract shall contain a provision requiring the contractor to submit periodically the names of individuals supplying services as soon as the identity of those individuals is known to the contractor;

(7) When the contractor is a business entity, the federal identification number of the business entity shall be listed on the contract form;

(8)(A) A certification signed by the contractor shall be included as follows:

"_____ (name) _____ (title)

I _____, certify under penalty of perjury that, to the best of my knowledge and belief, no regular full-time or part-time employee of any state agency of the State of Arkansas will receive any

personal, direct, or indirect monetary benefits which would be in violation of the law as a result of the execution of this contract."

(B) As used in subdivision (b)(8)(A) of this section, it is understood that when the contractor is a widely held public corporation "direct or indirect monetary benefit" does not apply to any regular corporate dividends paid to a stockholder of the corporation who is also a state employee and who owns less than ten percent (10%) of the total outstanding stock of the contracting corporation;

(9)(A) For a contract in which the total compensation exclusive of reimbursable expenses to be paid by the state agency does not exceed fifty thousand dollars ($50,000), a purchase order may be utilized in lieu of the standard form or forms prescribed by the director.

(B)(i) However, if the state agency enters into a subsequent contract with the same individual or organization during the same fiscal year, regardless of the nature of the contract, then the details of the original contract that utilized a purchase order form and of all subsequent contracts, regardless of amount or type, shall be promptly reported to the director.

(ii) Reporting under subdivision (b)(9)(B)(i) of this section shall be done to allow the director to determine whether the state agency is utilizing a series of contracts to avoid the use of the standard form and to avoid the application of appropriate rules;

(10) Standard contract forms in use by licensed practitioners such as architects and engineers may be used to supplement the standard contract forms; and

(11) All professional consultant services contracts shall contain the following clause:

"In the event the State of Arkansas fails to appropriate funds or make moneys available for any biennial period covered by the term of this contract for the services to be provided by the contractor, this contract shall be terminated on the last day of the last biennial period for which funds were appropriated or moneys made available for such purposes.

"This provision shall not be construed to abridge any other right of termination the agency may have."

(c) For the purpose of reporting methods of finance, a state agency shall disclose the total estimated project cost in addition to any other

reporting requirements of the Legislative Council or the Joint Budget Committee.

19-67-207. Compliance reporting — Definition.

(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.

19-67-208. Cancellation of contract on entry of final business closure order — Definition.

(a) As used in this chapter, "final business closure order" means a business closure order for which a contractor has either:

(1) Waived further administrative review under § 26-18-1001 et seq.; or

(2) Exhausted all remedies to appeal under § 26-18-1001 et seq.

(b) The Revenue Division of the Department of Finance and Administration shall provide to the Office of State Procurement all final business closure orders entered into against a contractor.

(c) Upon receipt of a final business closure order, the office shall, as soon as reasonably practicable:

(1) Notify each state agency with which the contractor has a contract that the:

(A) Contractor is subject to a final business closure order; and

(B) Provision of any goods or services, or both, under a contract with the contractor that is subject to a final business closure order shall cease as soon as reasonably practicable; and

(2) Notify all state agencies that the contractor that is subject to a final business closure order shall not be awarded or maintain a

contract with a state agency unless the office provides notice under subsection (d) of this section.

(d) Upon receipt of information that a contractor has resolved a business closure, the office shall notify all state agencies, as soon as reasonably practicable, that:

(1) Any unexpired contracts with the contractor may continue if the contract was not terminated, cancelled, suspended, or discontinued; and

(2) The contractor may be awarded or maintain a contract with a state agency.

CHAPTER 68
GUARANTEED ENERGY COST SAVINGS ACT

Subchapter 1. General Provisions
Subchapter 2. Authorization — Procedure — Requirements
Subchapter 3. Administration
Subchapter 4. Miscellaneous Provisions

Subchapter 1 — General Provisions

19-68-101. Title.

This chapter shall be known and may be cited as the "Guaranteed Energy Cost Savings Act".

19-68-102. Definitions.

As used in this chapter:

(1)(A) "Energy cost savings measure" means:

(i) A new facility that is designed to reduce the consumption of energy or natural resources or operating costs as a result of changes that:

(a) Do not degrade the level of service or working conditions;

(b) Are measurable and verifiable under the International Performance Measurement and Verification Protocol, as adopted by the Arkansas Pollution Control and Ecology Commission, in the rules required under § 19-68-301; and

(c) Are measured and verified by an audit performed by a qualified provider; or

(ii) An existing facility alteration that is designed to reduce the consumption of energy or natural resources or operating costs as a result of changes that conform with subdivisions (l)(A)(i)(a) and (b) of this section.

(B) "Energy cost savings measure" includes:

(i) Insulation and reduced air infiltration of the building structure, including walls, ceilings, and roofs or systems within the building;

(ii) Storm windows or doors, caulking or weather-stripping, multi-glazed windows or doors, heat-absorbing or heat-reflective glazed and coated window or door systems, additional glazing, reductions in glass area, or other window and door system modifications that reduce energy consumption;

(iii) Automated or computerized energy control systems, including computer software and technical data licenses;

(iv) Heating, ventilating, or air conditioning system modifications or replacements;

(v) Replacement or modification of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless an increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

(vi) Indoor air quality improvements;

(vii) Energy recovery systems;

(viii) Electric system improvements;

(ix) Life safety measures that provide long-term, operating-cost reductions;

(x) Building operation programs that reduce operating costs;

(xi) Other energy-conservation-related improvements or equipment, including improvements or equipment related to renewable energy;

(xii) Water and other natural resources conservation; or

(xiii) An alteration or measure identified through a comprehensive audit or assessment of new or existing facilities;

(2) "Equipment warranty period" means the time following the execution of a guaranteed energy cost savings contract in which a material defect in an installed energy conservation measure is required to be replaced or corrected by the manufacturer or an energy service company;

(3)(A) "Guaranteed energy cost savings contract" means a contract for the implementation of one (1) or more energy cost savings measures and services provided by a qualified provider in which the energy and cost savings achieved by the installed energy project cover all project costs, including financing, over a specified contract term.

(B) "Guaranteed energy cost savings contract" does not include improvements or equipment that allow or cause water from any condensing, cooling, or industrial process or any system of nonpotable usage over which public water supply system officials do not have sanitary control to be returned to the potable water supply;

(4) "Operational cost savings" means expenses eliminated and future replacement expenditures avoided as a result of new equipment installed or services performed;

(5) "Public notice" means the same as "public notice" is defined in § 19-61-103;

(6) "Qualified provider" means a person or business, including all subcontractors and employees of that person or business and third-party financing companies, that:

(A) Is properly licensed in the State of Arkansas;

(B) Has been reviewed and certified by the office as a qualified provider under this chapter;

(C) Is experienced in the design, implementation, measurement, verification, and installation of energy cost savings measures;

(D) Has at least five (5) years of experience in the analysis, design, implementation, installation, measurement, and verification of energy efficiency and facility improvements;

(E) Has the ability to arrange or provide the necessary financing to support a guaranteed energy cost savings contract; and

(F) Has the ability to perform under a contract that requires the person or business to guarantee the work performed by one (1) or

more subcontractors;

(7) "State agency" means the same as "state agency" is defined in § 19-61-103; and

(8) "Useful life" means the rated service life of an individual energy conservation measure as defined by the:

(A) American Society of Heating, Refrigerating and Air-Conditioning Engineers;

(B) Illuminating Engineering Society; or

(C) Solar Energy Industries Association.

Subchapter 2 — Authorization — Procedure — Requirements

19-68-201. Energy cost savings measures authorized.

(a)(1) A state agency may enter into a guaranteed energy cost savings contract in order to reduce energy consumption or operating costs of government facilities in accordance with this chapter.

(2) A state agency or several state agencies together may enter into an installment payment contract or lease purchase agreement with a qualified provider for the purchase and installation of energy cost savings measures in accordance with this chapter.

(b) All energy cost savings measures shall comply with current local, state, and federal construction and environmental codes and regulations.

(c) The provisions of the Arkansas Procurement Law, § 19-61-101 et seq., shall control if there is any conflict with the Arkansas Procurement Law, § 19-61-101 et seq., this chapter.

19-68-202. Method of solicitation.

A solicitation of a guaranteed energy cost savings contract by a state agency shall be consistent with the Arkansas Procurement Law, § 19-61-101 et seq.

19-68-203. Evaluation of responses to solicitations.

(a) In a state agency's evaluation of each qualified provider's response to a solicitation under § 19-68-202, the state agency shall include an analysis of:

(1) Whether the qualified provider meets the objectives of the

solicitation, including without limitation a reduction in the state agency's energy consumption or operating costs resulting from a guaranteed energy cost savings contract with the qualified provider;

(2) The qualifications and experience of the qualified provider;

(3) The technical approach to the energy cost savings measures;

(4) The financial aspects of the energy cost savings measures;

(5) The overall benefit to the state agency; and

(6) Any other relevant factors.

(b) After evaluating a response to a solicitation as required under subsection (a) of this section, a state agency may:

(1) Reject the response; or

(2) Award a contract to a qualified provider to conduct an energy audit to be used in developing the guaranteed energy cost savings contract.

19-68-204. Guaranteed energy cost savings contract requirements.

(a) The following provisions are required in a guaranteed energy cost savings contract:

(1) A statement that the state agency shall maintain and operate the energy cost savings measures as defined in the guaranteed energy cost savings contract; and

(2) A guarantee by the qualified provider that:

(A) The energy cost savings and operational cost savings to be realized over the term of the guaranteed energy cost savings contract meet or exceed the costs of the energy cost savings measures; and

(B) If the annual energy or operational cost savings fail to meet or exceed the annual costs of the energy cost savings measure as required by the guaranteed energy cost savings contract, the qualified provider shall reimburse the state agency for any shortfall of guaranteed energy cost savings over the term of the guaranteed energy cost savings contract.

(b)(1) If a guaranteed energy cost savings contract includes energy cost savings measures that possess either an active equipment warranty period or a combined useful life in excess of twenty (20) years, a guaranteed energy cost savings contract may be extended to the length of the:

(A) Equipment warranty period; or

(B) Weighted useful life of the relevant energy cost savings measures.

(2) A guaranteed energy cost savings contract shall not exceed twenty (20) years without approval of the Arkansas Energy Office of the Division of Environmental Quality.

(c) Before entering into a guaranteed energy cost savings contract, the state agency shall require the qualified provider to file with the state agency a payment and performance bond or similar assurance as provided under § 19-61-401.

Subchapter 3 — Administration

19-68-301. Administration of subchapter — Fees.

(a) The Arkansas Energy Office of the Division of Environmental Quality shall administer this chapter.

(b) The Arkansas Pollution Control and Ecology Commission may promulgate rules for the administration of this chapter, including without limitation:

(1) Standards for measuring and verifying the performance of energy cost savings measures;

(2) A standard contract form for use by a state agency in entering into a guaranteed energy cost savings contract;

(3) The adoption of the International Performance Measurement and Verification Protocol as it existed on a specific date; and

(4) The establishment and collection of a reasonable fee to cover the costs of administering this chapter.

Subchapter 4 — Miscellaneous Provisions

19-68-401. Use of maintenance and operation appropriations.

(a) Notwithstanding any law to the contrary, a state agency may utilize maintenance and operations appropriations for the payment of equipment and energy cost savings measures required by a guaranteed energy cost savings contract.

(b) An energy cost savings measure shall be treated as an energy efficiency project under Arkansas Constitution, Amendment 89.

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

partial equity ownership agreement;

(3) The reason for the formation of or entry into the partial equity ownership agreement;

(4) Justification that the duration of the partial equity ownership agreement is necessary to serve the best interests of the retirants under the prudent investor rule as set out in §§ 24-2-610 — 24-2-619;

(5) The anticipated date of implementation of the partial equity ownership;

(6) The anticipated termination date of the partial equity ownership agreement; and

(7) Other information regarding the terms of the partial equity ownership agreement that the office or the Legislative Council may reasonably require for an adequate review.

19-69-103. Imminent need to enter into partial equity ownership agreement.

(a) In lieu of a review under § 19-69-102, a partial equity ownership agreement that necessitates immediate formation shall be reviewed by the Office of State Procurement and the Legislative Council under this section.

(b)(1) The board of trustees of a state retirement system may enter into a partial equity ownership agreement or substantially alter the terms of an existing partial equity ownership agreement if the board of trustees passes a resolution that:

(A) Determines an imminent need to immediately form or enter into the partial equity ownership agreement;

(B) Deems it financially appropriate to immediately form or enter into a partial equity ownership agreement; and

(C) Concludes that to forego the opportunity to promptly implement the board of trustees' investment directives under the prudent investor rule as set out in §§ 24-2-610 — 24-2-619 would be inconsistent with the board of trustees' fiduciary duty of care to the retirants.

(2) The board of trustees of the state retirement system shall provide the office and the Legislative Council with a copy of the resolution under subsection (a) of this section within five (5) business days of the passage of the resolution.

(c) For a partial equity ownership agreement reviewed under this

section, the state retirement system shall submit information to the office and the Legislative Council within thirty (30) days of the passage of the resolution that discloses:

(1) The managing parties to the partial equity ownership agreement;

(2) The state retirement system's interest and ownership in the partial equity ownership agreement;

(3) The reason for the immediate formation or entry into a partial equity ownership agreement;

(4) Justification that the duration of the partial equity ownership agreement is necessary to serve the best interests of the retirants under the prudent investor rule as set out in §§ 24-2-610 — 24-2-619;

(5) The anticipated date of implementation;

(6) The anticipated termination date of the partial equity ownership agreement; and

(7) Other information regarding the terms of the partial equity ownership agreement that the office or the Legislative Council may reasonably require for an adequate review.

(d) As may be reasonably required by the Legislative Council, a member of the board of trustees, the director of the respective state retirement system, or the director's appointee shall appear at the next scheduled meeting of the Legislative Council after the receipt of the information under subsection (c) of this section to present the information and explain the details of the partial equity ownership agreement.

19-69-104. Retrospective review of partial equity ownership agreement to ensure disclosure.

(a) Before April 7, 2009, if a state retirement system has entered into a partial equity ownership agreement that has not been submitted previously for review under § 19-60-101 et seq., the Arkansas Procurement Law, § 19-61-101 et seq., or § 19-65-101 et seq., then the partial equity ownership agreement shall be reviewed retrospectively under this section.

(b) The board of trustees of a state retirement system shall submit information that the Office of State Procurement or the Legislative Council may reasonably require to allow a retrospective review of a partial equity ownership agreement under this section.

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

maximum price; and

(5) The cost-effective benefits are achieved by shifting the liability and risk for cost containment and transportation project scheduling to the construction manager, which leads many states to call this method the "construction manager at-risk method".

19-70-103. Definitions.

As used in this chapter:

(1) "Authorized contingency" means a provision prepared and submitted by the construction manager-general contractor as part of the guaranteed maximum price that is designed to cover costs that may result from:

(A) Incomplete design;

(B) Unforeseen and unpredictable conditions; or

(C) Uncertainties within the defined transportation project scope that a prudent construction manager would not have reasonably detected or anticipated during the discharge of his or her preconstruction duties;

(2) "Construction manager-general contractor" means a business firm or a legal entity selected by the Director of State Highways and Transportation to act as a construction manager to provide preconstruction services during the design and development phase of a transportation project;

(3) "Construction manager-general contractor method" means a transportation project delivery method using a best value procurement process in which a construction manager is procured to provide preconstruction services and may subsequently construct the whole transportation project or any part of the transportation project as the general contractor if the Arkansas Department of Transportation and the construction manager-general contractor reach an agreement on a guaranteed maximum price;

(4) "Guaranteed maximum price" means:

(A) The total dollar amount agreed to by the construction manager-general contractor to complete the construction of the transportation project, including without limitation the construction manager-general contractor's:

(i) Direct costs;

(ii) Overhead;

(iii) Profit; and

(iv) Any authorized contingency; and

(B) Any dollar amount added to the total dollar amount of the transportation project submitted under subdivision (4)(A) of this section to cover additional costs arising from changes in the scope of work as the department may subsequently direct in writing;

(5) "Preconstruction services" means work, labor, or services, including services furnished in connection with the design and development of a transportation project before the construction phase, including without limitation:

(A) Cost estimates;

(B) Schedule analysis;

(C) Sequencing of work;

(D) Risk identification and mitigation;

(E) Constructability reviews;

(F) Evaluation of alternative construction options;

(G) Assistance with various permits;

(H) Coordination with public or private utility service providers;

(I) Communication with third-party stakeholders or the public; and

(J) Development of a guaranteed maximum price; and

(6) "Request for proposals" means a document or publication soliciting proposals for a contract for construction of a transportation project between a construction manager-general contractor and the department.

19-70-104. Rules.

The State Highway Commission and the Arkansas Department of Transportation may promulgate rules to implement and administer this chapter.

Subchapter 2 — Construction Manager-General Contractor Method of Procurement Pilot Program — Creation — Procedure

19-70-201. Construction Manager-General Contractor Method of Procurement Pilot Program — Creation.

(a) The State Highway Commission may develop a Construction Manager-

General Contractor Method of Procurement Pilot Program to test the utilization of the construction manager-general contractor method as a cost-effective option for constructing transportation projects.

(b)(1)(A) For the first phase of the program, the commission may select a total of five (5) transportation projects on which to utilize the construction manager-general contractor method.

(B)(i) The sum of the construction cost estimates prepared as required under § 19-70-204 of all five (5) construction manager-general contractor method transportation projects selected under subdivision (b)(1)(A) of this section shall not exceed two hundred million dollars ($200,000,000).

(ii) A construction cost estimate of a construction manager-general contractor method transportation project selected under subdivision (b)(1)(A) of this section shall not exceed one hundred million dollars ($100,000,000).

(2)(A) For the second phase of the program, beginning on August 1, 2023, the commission may select a total of five (5) additional transportation projects that are not currently in the procurement process on which to utilize the construction manager-general contractor method.

(B)(i) The sum of the construction cost estimates prepared as required under § 19-70-204 of all five (5) construction manager-general contractor method transportation projects selected under subdivision (b)(2)(A) of this section shall not exceed five hundred million dollars ($500,000,000).

(ii) A construction cost estimate of a construction manager-general contractor method transportation project selected under subdivision (b)(2)(A) of this section shall not exceed one hundred fifty million dollars ($150,000,000).

(c) The Director of State Highways and Transportation shall send written notice identifying the transportation project and the reasons for deciding to apply the construction manager-general contractor method to that specific transportation project to:

(1) The Chair of the House Committee on Public Transportation; and

(2) The Chair of the Senate Committee on Public Transportation, Technology, and Legislative Affairs.

(d) The program established under this chapter shall terminate no later than June 30, 2026.

19-70-202. Project selection.

If the Arkansas Department of Transportation determines that a construction manager-general contractor method of procurement is appropriate for a transportation project, the department shall establish a procedure for awarding the contract for construction of the construction manager-general contractor method transportation project using the criteria listed in § 19-70-203.

19-70-203. Request for proposals.

(a) A request for proposals under this chapter shall include without limitation the following:

(1) The minimum qualifications of the construction manager-general contractor;

(2) The procedures for submitting a proposal to the Arkansas Department of Transportation, the criteria for the evaluation of and selection of a construction manager-general contractor to perform preconstruction services, and the relative weight assigned for each criteria as indicated in a technical scoring matrix;

(3) The form of the contract to be awarded for preconstruction services;

(4) A listing of the types and scope of the preconstruction services that will be required;

(5) The scope of the intended contract;

(6) The budget limits for the transportation project and the preconstruction services;

(7) The method of payment and structure of fees for the preconstruction services;

(8) A requirement that the construction manager-general contractor submit relevant information regarding any licenses, registration, or credentials that may be required to construct the transportation project;

(9) A requirement that the construction manager-general contractor provide evidence that establishes that the construction manager-general contractor is capable of obtaining the required bonding and

insurance;

(10) A requirement that the construction manager-general contractor submit information concerning the debarment or default from a federal, state, or local government transportation project within the past five (5) years;

(11) A requirement that the construction manager-general contractor provide information concerning the bankruptcy or receivership of any of its members, including information concerning any work completed by a surety;

(12) A requirement that the construction manager-general contractor provide evidence of competency, capability, and capacity to complete a transportation project of similar size, scope, or complexity; and

(13) A prohibition that excludes a person or firm that has received compensation for assisting the department in preparing the request for proposals from submitting a proposal in response to the request for proposals or participating as a construction manager-general contractor team member.

(b) A request for proposals under this chapter shall not:

(1) Require that the construction manager-general contractor have prior experience with any particular transportation project procurement method as a condition for submitting a proposal; and

(2) Give any preference for any particular contract delivery method in the scoring of a proposal.

(c) The department shall:

(1) Send a written notice of award to the best-evaluated construction manager-general contractor; or

(2) Send to all the construction manager-general contractors that submitted a proposal a written notice that all proposals have been rejected.

19-70-204. Construction manager-general contractor selection.

(a) The Arkansas Department of Transportation shall:

(1) Prepare contract plans, specifications, special provisions, and other requirements composing the contract for construction of a transportation project elected for procurement using the construction manager-general contract method authorized by this chapter;

(2) Prepare a detailed construction cost estimate to evaluate the appropriate price for the construction of the transportation project;

(3) If requested by the Director of State Highways and Transportation, have an independent third-party cost estimator prepare a detailed construction cost estimate to confirm the appropriate price for the construction of the transportation project;

(4) Include in the contract created by subdivision (a)(1) of this section a requirement that the construction manager-general contractor perform at least thirty percent (30%) of the total cost for construction, not including the preconstruction work performed by the construction manager-general contractor; and

(5)(A) Keep the construction cost estimates prepared under subdivisions (a)(2) and (3) of this section confidential and not subject to public disclosure until after the contract has been awarded.

(B) Construction cost estimates prepared under subdivisions (a)(2) and (3) of this section are confidential and exempt from public disclosure under the Freedom of Information Act of 1967, § 25-19-101 et seq., but only until after the contract has been awarded.

(b) A construction manager-general contractor shall submit to the department a guaranteed maximum price for the construction of the transportation project using the contract plans, specifications, special provisions, and other requirements prepared by the department as required by subdivision (a)(1) of this section.

(c) The department may award the contract to a construction manager-general contractor if the guaranteed maximum price does not exceed the cost estimate provided by the department or independent third party by more than ten percent (10%).

(d) If the director rejects the proposed guaranteed maximum price, the department may:

(1) Work with the construction manager-general contractor to find a guaranteed maximum price that is acceptable to both parties; or

(2) Request that the construction manager-general contractor provide additional preconstruction services and submit a new guaranteed maximum price as directed by this section.

(e) If the department does not award the contract to a construction manager-general contractor, the department may proceed with the

transportation project using a procurement process authorized by law.

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

support research in the cause, treatment, and prevention of various types of cancer;

(3) Because the Arkansas Cancer Research Center of the University of Arkansas for Medical Sciences is engaged in education, research, and clinical care addressing the causes, treatment, and prevention of cancer, the General Assembly has recognized the center as the official cancer institute of the State of Arkansas since its inception in 1984;

(4) It is appropriate that the center should be designated as a capital improvement project relating to healthcare services, health education, or health-related research under the Tobacco Settlement Proceeds Act, § 19-90-101 et seq.; and

(5) This subchapter provides financial resources critical to the development and construction of necessary medical facilities by authorizing the issuance of an additional series of Tobacco Settlement Revenue Bonds in support of the center.

(b) This subchapter is not intended to amend nor does it amend Initiated Act 1 of 2000, the Tobacco Settlement Proceeds Act, § 19-90-101 et seq.

(c) The purpose of this subchapter is to designate an additional capital improvement project as anticipated by § 19-90-106(b)(4) and to enact implementation legislation necessary to authorize an additional series of Tobacco Settlement Revenue Bonds to finance a portion of the additional capital improvement project as provided under § 19-90-106(g).

19-90-203. Applicability of Tobacco Settlement Proceeds Act.

The Tobacco Settlement Proceeds Act, § 19-90-101 et seq., is fully applicable to this subchapter and any Tobacco Settlement Revenue Bonds issued under this subchapter.

19-90-204. Arkansas Cancer Research Center designated as capital improvement project.

As authorized by § 19-90-106(b)(4), the Arkansas Cancer Research Center of the University of Arkansas for Medical Sciences is designated as a capital improvement project relating to healthcare services, health education, or health-related research.

19-90-205. Additional Tobacco Settlement Revenue Bonds authorized.

Additional Tobacco Settlement Revenue Bonds may be issued in connection with the capital improvement project described in § 19-90-204 under the following conditions:

(1) No more than five million dollars ($5,000,000) of the annual transfer to the Tobacco Settlement Debt Service Fund shall be allocated in any one (1) year to pay debt service requirements for the capital improvement project;

(2) Annual transfers to the Tobacco Settlement Debt Service Fund allocated to the capital improvement project shall not commence until the Tobacco Settlement Revenue Bonds issued in 2001 under the Tobacco Settlement Proceeds Act, § 19-90-101 et seq., are no longer outstanding; and

(3) No more than forty million dollars ($40,000,000) in an initial principal amount of Tobacco Settlement Revenue Bonds may be issued for the capital improvement project.

19-90-206. Issuance of additional Tobacco Settlement Revenue Bonds by Arkansas Development Finance Authority.

(a) If revenues in the Tobacco Settlement Debt Service Fund are sufficient to meet Debt Services Requirements with regard to additional Tobacco Settlement Revenue Bonds that may be issued in connection with the capital improvement project described in § 19-90-204, then the Arkansas Development Finance Authority shall issue additional Tobacco Settlement Revenue Bonds in accordance with the limitations established in § 19-90-205 to be used for financing a portion of the capital improvement project described in § 19-90-204.

(b) The additional Tobacco Settlement Revenue Bonds shall be issued as set forth under the Tobacco Settlement Proceeds Act, § 19-90-101 et seq., and shall be entitled to the same rights and protections as the Tobacco Settlement Revenue Bonds issued in 2001 under the Tobacco Settlement Proceeds Act, § 19-90-101 et seq.

SECTION 6. Arkansas Code § 1-2-303(b), concerning the powers and duties of the Arkansas Code Revision Commission, is amended to read as follows:

(b) In the commission's discretion and subject to the provisions and

requirements of § ~~19-4-1109~~ 19-4-1108, the commission may enter into contracts for professional services to the commission, which contracts may include, but are not limited to, the purposes of:

SECTION 7. Arkansas Code § 2-1-306(b)(3)(C), concerning the civil penalty for violation of the truth-in-labeling laws, is amended to read as follows:

(C) A civil penalty collected under this section shall be deposited into the State Plant Board Fund.

SECTION 8. Arkansas Code § 2-15-204(c), concerning the duties of the State Plant Board, is amended to read as follows:

(c) All moneys received by the board under this subchapter and the rules adopted by the board shall be deposited into the State Plant Board Fund to be used for carrying out the provisions of this subchapter.

SECTION 9. Arkansas Code § 2-16-104(b) and (c), concerning the disposition of funds collected by the State Plant Board, are amended to read as follows:

(b) Upon receipt of the funds, the Treasurer of State shall, after deducting therefrom the collection charge authorized by law, credit the net amount to the credit of the State Plant Board Fund to be used for the maintenance, operation, and improvement of the board.

(c) All fees, fines, penalties, moneys, and funds arising from all sources resulting from the enforcement, operation, investigation, application, and administration of the laws under the jurisdiction of the Arkansas Bureau of Standards of the ~~State Plant Board~~ Department of Agriculture and the sale of property resulting from said purposes, and all moneys, grants, and other sources of funding procured for the bureau, shall be deposited into the State Plant Board Fund, or any successor fund, to be used solely for the maintenance, operation, and improvement of the bureau.

SECTION 10. Arkansas Code § 2-16-105(c)(2), concerning the Fire Ant Poison Cost Sharing Program, is amended to read as follows:

(2) The moneys generated from the sale of fire ant poison chemicals and received by the board from the University of Arkansas

Cooperative Extension Service shall be deposited into the State Treasury to the credit of the State Plant Board Fund as a nonrevenue receipt refund to expenditure, there to be used by the board to purchase additional fire ant poison chemicals for distribution to the various counties of the state for fire ant control.

SECTION 11. Arkansas Code § 2-16-108(b)(1), concerning the State Plant Board Operations and Facilities Construction Fund, is amended to read as follows:

(b)(1) There is created in accordance with §§ ~~19-4-801 – 19-4-803, 19-4-805, and 19-4-806~~ 19-4-801 – 19-4-805 and the Revenue Classification Law, § ~~19-6-101~~ 19-40-101 et seq., a cash fund entitled the State Plant Board Operations and Facilities Construction Fund, which shall be maintained in such depository bank or banks as may be designated from time to time by the board.

SECTION 12. Arkansas Code § 2-16-108(b)(2)(A), concerning the State Plant Board Operations and Facilities Construction Fund, is amended to read as follows:

(2)(A) The first two hundred thousand dollars ($200,000) in each fiscal year of all fees, interest, ~~penalities~~ penalties, and costs collected by the board that constitute the special revenues specified in § ~~19-6-301(51)~~ 19-42-201(51) and all income, interest, and earnings thereof are declared to be cash funds to be used solely for paying the cost of operations and maintenance of the board and the financing of the acquisition, construction, and maintenance of facilities for the board's operations, including any additions, extensions, and improvements thereto, the renovation thereof, and the equipping of such facilities.

SECTION 13. Arkansas Code § 2-16-108(d), concerning the State Plant Board Operations and Facilities Construction Fund, is amended to read as follows:

(d) On July 30, 1999, all moneys then held in the State Plant Board Fund created by § ~~19-6-408~~ 19-43-207 that were derived from the special revenues described in subdivision (b)(2)(A) of this section shall be transferred to the State Plant Board Operations and Facilities Construction

Fund, except that the amount transferred shall not exceed the maximum amount provided in subdivision (b)(2)(A) of this section.

SECTION 14. Arkansas Code § 2-16-203(b)(4)(B)(i), concerning the penalty for violations of the Arkansas Plant Act of 1917, is amended to read as follows:

(B)(i) Except as provided under subsection (c) of this section, sums collected under special revenue programs shall be deposited into the State Plant Board Fund.

SECTION 15. Arkansas Code § 2-17-238 is amended to read as follows:

2-17-238. Disposition of revenues.

All revenues collected under the provisions of this subchapter by the State Plant Board shall be deposited into the State Plant Board Fund to be used for the maintenance, operation, support, and improvement of the board.

SECTION 16. Arkansas Code § 2-19-202(c)(1)(B), concerning fertilizer brand registration and facility licensing fees, is amended to read as follows:

(B) The fees shall be deposited into the State Plant Board Fund of the State Treasury.

SECTION 17. Arkansas Code § 2-19-206(b)(2), concerning the penalty for deficiency from guaranteed analysis for fertilizer, is amended to read as follows:

(2) The value of the deficiencies, if any, exceeding the actual shortages, and the actual value of the shortages when the consumer cannot be found, shall be paid to the department within forty-five (45) days after the date of notice from the department to the manufacturer or his or her agent and shall be deposited into the State Plant Board Fund of the State Treasury.

SECTION 18. Arkansas Code § 2-19-209(a)(2)(B)(i), concerning the distribution of fees accompanying tonnage reports by manufacturers and manipulators or agents, is amended to read as follows:

(i) Sixty-two cents (62¢) of the two-dollar-and-forty-cent fee per ton or fractional ton inspected shall be deposited with

the Treasurer of State as special revenues and shall be credited to the State Plant Board Fund to be used for the maintenance, operation, support, and improvement of the State Plant Board programs; and

SECTION 19. Arkansas Code § 2-19-209(b)(3), concerning tonnage reports by manufacturers and manipulators or agents, is amended to read as follows:

(3) For a late report or for failure to report the entire amount sold, the tonnage fee on the late reported or unreported amount shall be enhanced by ten percent (10%) if less than fifteen (15) days late, twenty percent (20%) if less than thirty-one (31) days late, and doubled if more than thirty (30) days late. Penalties shall be deposited into the State Plant Board Fund; otherwise, registrations may be cancelled by the State Plant Board.

SECTION 20. Arkansas Code § 2-19-305(b)(2), concerning the penalty for deficiency from guaranteed analysis for liming material, is amended to read as follows:

(2) The value of the deficiencies exceeding the actual shortages and the actual value of the shortages when the consumer cannot be found shall be paid to the board within forty-five (45) days after the date of notice from the board to the manufacturer, importer, or guarantor and shall be deposited into the State Plant Board Fund of the State Treasury.

SECTION 21. Arkansas Code § 2-19-307(b)(3), concerning the quarterly tonnage reports for manufacturers, importers, and other guarantors, is amended to read as follows:

(3) For a late report or for failure to report the entire amount sold, the tonnage fee on the late report or unreported amount shall be doubled, and penalties shall be deposited into the State Plant Board Fund; otherwise, registrations may be cancelled by the State Plant Board.

SECTION 22. Arkansas Code § 2-23-102(b)(2), concerning the filing fee for defective seed claims, is amended to read as follows:

(2) This fee shall be deposited into the State Plant Board Fund in the State Treasury and may be used by the director to offset expenses of the investigation.

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

disposition of funds related to the pseudorabies control and eradication program, is amended to read as follows:

(c) After deducting three percent (3%) for credit to the Constitutional Officers Fund and the State Central Services Fund, the remainder of funds so remitted to the secretary shall be deposited into the State Treasury as special revenues and credited to the Arkansas Livestock and Poultry Commission Swine Testing Fund.

SECTION 28. Arkansas Code § 2-40-206(b)(2)(A) and (B), concerning funding of the bovine disease program, are amended to read as follows:

(2)(A) After deducting three percent (3%) for credit to the Constitutional Officers Fund and the State Central Services Fund, the remainder of funds so remitted to the Secretary of the Department of Finance and Administration shall be deposited into the State Treasury as special revenues and credited to the Arkansas Livestock and Poultry Commission Disease and Pest Control Fund.

(B) Before the close of each fiscal year, the Chief Fiscal Officer of the State shall determine the amount of funds which will remain at the end of the fiscal year in the Arkansas Livestock and Poultry Commission Disease and Pest Control Fund from fees collected under the provisions of this section. He or she shall allow such funds to be carried forward and made available for the same purposes in the next-succeeding fiscal year.

SECTION 29. Arkansas Code § 3-3-314(d)(2), concerning the use of funds derived from the sale of confiscated beverages, is amended to read as follows:

(2) Fifty percent (50%) thereof as general revenues in the State Treasury to the credit of the State Apportionment Fund. There the funds shall be allocated and distributed to the various funds, fund accounts, and accounts participating in general revenues in the respective proportions to each as provided by law and shall be used for the respective purposes set forth in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 30. Arkansas Code § 3-4-501(c)(2), concerning alcoholic beverage permit and license fees, is amended to read as follows:

(2) The Treasurer of State shall allocate and transfer the

amounts 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 31. Arkansas Code § 3-5-224 is amended to read as follows:

3-5-224. Disposition of funds.

All permits or license fees or taxes, penalties, fines, proceeds of all forfeitures, special inspection fees, and costs received by the Secretary of the Department of Finance and Administration under the provisions of this subchapter shall be general revenues and shall be deposited in the State Treasury to the credit of the State Apportionment Fund. The Treasurer of State shall allocate and transfer those revenues 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 32. Arkansas Code § 3-5-908 is amended to read as follows:

3-5-908. Arkansas Agricultural Marketing Grants Fund.

There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State the Arkansas Agricultural Marketing Grants Fund, into which shall be paid the fees specified by § ~~19-6-839(b)~~ 19-43-311(b) and such moneys as may be provided by law to be used for making payments of grants to eligible Arkansas wineries under this subchapter.

SECTION 33. Arkansas Code § 3-5-1708(b), concerning the disposition of funds received under the Direct Shipment of Vinous Liquor Act, is amended to read as follows:

(b) The Treasurer of State shall allocate and transfer those revenues 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 34. Arkansas Code § 3-6-106(b), concerning the collection of

fees and taxes under the Native Brandy Law, is amended to read as follows:

(b) The permit fees and taxes shall be deposited into the State Treasury as general revenues to the credit of the State Apportionment Fund, there to be allocated to the various funds, fund accounts, and accounts participating in general revenues in the respective proportions to each as provided by law and be used for the respective purposes set forth in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 35. Arkansas Code § 3-7-111(a)(4), concerning additional taxes on alcoholic beverages, is amended to read as follows:

(4) All additional permit fees and taxes levied by subdivisions (a)(1)(A)-(D) of this section shall be deposited into the State Treasury as general revenues and credited to the State Apportionment Fund. These amounts shall be allocated and transferred to the various funds, fund accounts, and accounts participating in general revenues in the respective proportions to each as provided by law and shall be used for the respective purposes set forth in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 36. Arkansas Code § 3-7-111(b)(3), concerning additional taxes on alcoholic beverages, is amended to read as follows:

(3) All taxes, penalties, fines, and costs received by the Secretary of the Department of Finance and Administration under the provisions of this subsection shall be deposited into the State Treasury as general revenues to the credit of the State Apportionment Fund. There those amounts shall be allocated to the various funds, fund accounts, and accounts participating in general revenues in the respective proportions to each as provided by law and shall be used for the respective purposes set forth in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 37. Arkansas Code § 3-7-205 is amended to read as follows:

3-7-205. Disposition of funds.

All taxes, interest, penalties, and costs received by the Secretary of the Department of Finance and Administration under the provisions of this subchapter shall be general revenues and shall be deposited in the State Treasury to the credit of the State Apportionment Fund. The Treasurer of State shall allocate and transfer the revenues 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 38. Arkansas Code § 3-7-506(c), concerning native wines, is amended to read as follows:

(c) All such gallonage tax shall continue to be general revenues and shall be deposited into the State Treasury and shall be credited to the respective funds and used for the respective purposes provided in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 39. Arkansas Code § 3-9-237 is amended to read as follows:

3-9-237. Disposition of funds.

All permit fees and supplemental gross receipts taxes collected for the state pursuant to this subchapter shall be remitted monthly to the Treasurer of State as general revenues and be credited to the State Apportionment Fund. There the fees and taxes shall be allocated and transferred to the various funds, fund accounts, and accounts participating in general revenues in the respective proportions to each as provided by, and shall be used for the respective purposes set forth in, the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 40. Arkansas Code § 3-9-301(3)(C), concerning the definition of "license" to be used in relation to the on-premises consumption of wine, is amended to read as follows:

(C) All moneys derived from the annual fees shall be deposited into the State Treasury as general revenues to the credit of the State Apportionment Fund, to be allocated and transferred to the various funds, fund accounts, and accounts participating in general revenues in the respective proportions to each as provided by law, and to be used for the respective purposes set forth in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.;

SECTION 41. Arkansas Code § 4-18-323(c)(3), concerning civil penalties under the Uniform Weights and Measures Law, is amended to read as follows:

(3) Any civil penalty collected under this section shall be

transmitted to the State Plant Board Fund.

SECTION 42. Arkansas Code § 4-18-329(c), concerning the fees for tests or inspections under the Uniform Weights and Measures Law, is amended to read as follows:

(c) Funds collected under this section shall be deposited into the State Treasury as special revenue credited to the State Plant Board Fund to be used exclusively for the maintenance of facilities and equipment of the bureau.

SECTION 43. Arkansas Code § 4-28-415 is amended to read as follows:

4-28-415. Disposition of fees.

All registration fees collected by the Secretary of State under this subchapter shall be deposited into the State Treasury, and the Treasurer of State shall credit them as general revenues to the various funds in the respective amounts to each and to be used as provided in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 44. Arkansas Code § 4-35-301(b)(3)(B), concerning the issuance of bonds under the Water Authority Act, is amended to read as follows:

(B) The provisions of the Revenue Bond Act of 1987, § ~~19-9-601~~ 19-6-601 et seq., do not apply to this section.

SECTION 45. Arkansas Code § 4-108-208(c)(3), concerning civil penalties under the Engine Fuels, Petroleum Products, and Automotive Lubricants Inspection Act of 2001, is amended to read as follows:

(3) Any civil penalty collected under this section shall be transmitted to the State Plant Board Fund.

SECTION 46. Arkansas Code § 5-4-617(m), concerning the method of execution for capital murder, is amended to read as follows:

(m) Every person that procures, prepares, administers, monitors, or supervises the injection of a drug or drugs under this section has immunity under § ~~19-10-305~~ 25-44-305.

SECTION 47. Arkansas Code § 5-4-703(b)(1), concerning the additional

fine levied for committing an offense against a child or in the presence of a child, is amended to read as follows:

(b)(1) A fine assessed and collected under this section shall be remitted on or before the fifteenth day of the following month to the Arkansas Children's Advocacy Center Fund under § ~~19-5-1260~~ 19-27-315.

SECTION 48. Arkansas Code § 5-64-505(i)(2)(A)(iv), concerning the drug control fund and the disposition of moneys received from the sale of property subject to forfeiture, is amended to read as follows:

(iv) Moneys in the drug control fund are appropriated on a continuing basis and are not subject to the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 49. Arkansas Code § 5-64-505(i)(3)(C), concerning the Special State Assets Forfeiture Fund and the disposition of moneys received from the sale of property subject to forfeiture, is amended to read as follows:

(C) The Special State Assets Forfeiture Fund is not subject to the provisions of the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., or the Special Revenue Fund Account ~~of the State Apportionment Fund~~, § ~~19-5-203(b)(2)(A)~~ 19-21-103(b)(2)(A).

SECTION 50. Arkansas Code § 5-65-119(a)(2)(C), concerning the distribution of the fee for reinstating a driving privilege that was suspended or revoked, is amended to read as follows:

(C) Ten percent (10%) of the revenues derived from this fee shall be deposited into the State Treasury, and the Treasurer of State shall credit them as general revenues to the various funds in the respective amounts to each and to be used for the purposes as provided in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.; and

SECTION 51. Arkansas Code § 6-1-101(b), concerning the required audit of a publicly funded educational institution, is amended to read as follows:

(b) Any statutorily required audit of an educational institution performed by an independent accountant shall include, as a minimum and as an integral part of the annual financial report, a review and comments on substantial compliance with each of the following:

(1) Management letter for audit of political subdivisions, §§ 14-75-101 — 14-75-104;

(2) Compliance with ethical guidelines and prohibitions for board members, administrators, and employees, § 6-13-628 and § 6-24-101 et seq.;

(3) School elections, § 6-14-118;

(4) Management of schools, §§ 6-13-617 — 6-13-620 and 6-13-701;

(5) Revolving Loan Fund, §§ 6-19-114, 6-20-801, and 6-20-802;

(6) School district finances, §§ 6-20-402 and 6-20-409;

(7) School district school bonds, §§ 6-20-1208 and 6-20-1210;

(8) Teachers and employees, §§ 6-17-201, 6-17-203 — 6-17-206, 6-17-301, and 6-17-401;

(9) Teachers' salaries, §§ 6-17-803, 6-17-907, 6-17-908, 6-17-911 — 6-17-913, 6-17-918, and 6-17-919, and the Public School Funding Act of 2003, § 6-20-2301 et seq.;

(10) Deposit of funds, §§ ~~19-8-104 and 19-8-106~~ 19-5-104 and 19-5-106;

(11) Investment of funds, § ~~19-1-504~~ 19-1-404; and

(12) Improvement contracts, §§ 22-9-201 — 22-9-205.

SECTION 52. Arkansas Code § 6-5-301(a)(2), concerning the creation and funding of the Educational Excellence Trust Fund, is amended to read as follows:

(2) For each of the state's fiscal years, the Chief Fiscal Officer of the State shall determine as an annual allocation for this fund an amount based on the total net general revenues as enumerated in § ~~19-6-201(1) and (2)~~ 19-41-201(1) and (2), which were collected in the immediate past year, times a factor of 0.1414.

SECTION 53. Arkansas Code § 6-5-301(b)(2), concerning the creation and funding of the Educational Excellence Trust Fund, is amended to read as follows:

(2) The Treasurer of State shall make such transfer after making the deductions required from the net general revenues as set out in § ~~19-5-202(b)(2)(B)(i)~~ 19-21-102(b)(2)(B)(i).

SECTION 54. Arkansas Code § 6-16-1001 is amended to read as follows:

6-16-1001. Kids-For-Health program established.

The Department of Health shall use moneys from the Tobacco Settlement Proceeds Act, § ~~19-12-101~~ 19-90-101 et seq., to establish a Kids-For-Health program.

SECTION 55. Arkansas Code § 6-17-911(c)(1), concerning the effect of failure to make records and settlements under The Arkansas Teachers' Salary Law, is amended to read as follows:

(c)(1) If such delinquent settlement is not made within two (2) weeks, the Treasurer of State shall withhold the monthly distribution of county aid provided for under § ~~19-5-602(b)~~ 19-25-102(b) upon notification from the secretary that the county has failed to make such settlement.

SECTION 56. Arkansas Code § 6-18-2307(c)(2)(B)(i), concerning the duties of the Department of Finance and Administration and the Division of Elementary and Secondary Education, is amended to read as follows:

(B)(i) The Division of Elementary and Secondary Education shall transmit all gifts, grants, or donations received under subdivision (c)(2)(A) of this section to the Treasurer of State, who shall credit the received gifts, grants, or donations received by the Division of Elementary and Secondary Education to the Philanthropic Investment in Arkansas Kids Academic Accountability Fund under § ~~19-5-1275~~ 19-27-329.

SECTION 57. Arkansas Code § 6-20-225 is amended to read as follows:

6-20-225. Loan or transfer repayment.

Notwithstanding the provisions of § ~~19-5-501~~ 19-24-101 et seq., or any law to the contrary, up to two million dollars ($2,000,000) received by the Public School Fund from the Budget Stabilization Trust Fund either by loan or transfer during the 1996-1997 fiscal year, shall be repaid from time to time by transfer by the Treasurer of State from either the Public School Support Fund [repealed] or the Public School Fund, or its appropriate fund account, solely from revenues generated by the income tax surcharge levied by § 6-20-312(c) [repealed] after the provisions of § 19-6-481(b) [repealed] have been achieved.

SECTION 58. Arkansas Code § 6-20-405(a)(2)(A), concerning energy savings contracts, is amended to read as follows:

(2)(A) "Qualified provider" means the same as defined in § ~~19-11-1202~~ 19-68-102.

SECTION 59. Arkansas Code § 6-20-405(f), concerning energy savings contracts, is amended to read as follows:

(f) A school district may provide by resolution that the school district shall comply with the rules promulgated by the Arkansas Pollution Control and Ecology Commission under the Guaranteed Energy Cost Savings Act, § ~~19-11-1201~~ 19-68-101 et seq.

SECTION 60. Arkansas Code § 6-20-1017(c), concerning the purchase of bonds and certificates by the Treasurer of State, is amended to read as follows:

(c) The moneys that the Treasurer of State may use in the purchase of any revolving loan bonds or revolving loan certificates of indebtedness shall be those funds available for investment under the provisions of the State Treasury Management Law, § ~~19-3-501~~ 19-3-301 et seq.

SECTION 61. The introductory language of Arkansas Code § 6-20-2202(g)(1), concerning the budget and expenditure report required for school districts, open-enrollment public charter schools, and education service cooperatives, is amended to read as follows:

(g)(1) The Treasurer of State shall withhold the monthly distribution of county aid provided under § ~~19-5-602(c)~~ 19-25-102(c) from any county whose county official who is the preparer of the tax books fails to provide by March 15 of each calendar year information concerning the annual abstract of assessment that reflects the aggregate value of the real and personal property for each school district located wholly or in part in the county as follows:

SECTION 62. Arkansas Code § 6-20-2602(6), concerning the definitions to be used under the Arkansas Public School Academic Facilities Financing Act of 2007, is amended to read as follows:

(6) "General revenues of the state" means the revenues described

and enumerated in § ~~19-6-201~~ 19-41-201 of the Revenue Classification Law, § ~~19-6-101~~ 19-40-101 et seq., or in any successor law;

SECTION 63. Arkansas Code § 6-20-2603(c)(2)(A), concerning the duties of the Governor upon receipt of the written plan submitted by the Commission for Arkansas Public School Academic Facilities and Transportation before issuing bonds, is amended to read as follows:

(A) Confer with the Chief Fiscal Officer of the State concerning whether the annual amount of general revenue funds required to be set aside from the general revenues of the state under the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., for payment of debt service requirements in connection with the bonds during either year of the fiscal biennium in which the bonds are to be issued would require moneys from the general revenues of the state that would work undue hardship upon any agency or program supported from the general revenues of the state under the provisions of the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.; and

SECTION 64. Arkansas Code § 6-23-901 is amended to read as follows:

6-23-901. Open-Enrollment Public Charter School Facilities Loan Fund — Established.

Beginning with the 2013-2014 school year, the Open-Enrollment Public Charter School Facilities Loan Fund is established under § ~~19-5-1251~~ 19-27-306 to provide funding for safe and secure facilities in which to conduct educational services and administrative activities for open-enrollment public charter schools.

SECTION 65. Arkansas Code § 6-28-206(a), concerning immunity from suit for state officials and state employees under the Arkansas Military Child School Transitions Act of 2021, is amended to read as follows:

(a) This chapter shall not affect the immunity from suit granted to state officials and state employees under § ~~19-10-305~~ 25-44-305 or to the state and its official agencies under Arkansas Constitution, Article 5, § 20.

SECTION 66. Arkansas Code § 6-42-307(c), concerning the School for Math, Sciences, and Arts Fund, is amended to read as follows:

(c) The fund shall consist of moneys allocated and transferred from the Educational Excellence Trust Fund, any general revenues as may be provided by the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., and any other moneys as may be authorized by law.

SECTION 67. Arkansas Code § 6-51-1103(a), concerning purchases by Crowley's Ridge Technical Institute, is amended to read as follows:

(a) Upon the vote of the Board of Directors of Crowley's Ridge Technical Institute to merge with East Arkansas Community College under § 6-51-1101(a)(1)(A) and before the effective date of a merger under § 6-51-1101(a)(2):

(1) Purchases by Crowley's Ridge Technical Institute shall be made under the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.; and

(2) Purchases by East Arkansas Community College may continue to be made under procedures that were applicable to East Arkansas Community College.

SECTION 68. Arkansas Code § 6-53-207(a), concerning capital outlays of institutions within the Arkansas Technical and Community College System, is amended to read as follows:

(a) Unless exempted under the provisions of § ~~19-4-522~~ 19-4-513, any expenditure of State Treasury funds for capital outlay expenses or construction costs, as set forth in § ~~19-4-524~~ 19-4-515, of an institution within the Arkansas Technical and Community College ~~system~~ System shall be subject to the prior approval of the General Assembly upon the recommendation of the Arkansas Higher Education Coordinating Board.

SECTION 69. Arkansas Code § 6-59-111 is amended to read as follows:

6-59-111. Funding for salary equity.

In that funding for and achievement of salary equity among employees of Arkansas Northeastern College is essential for the successful merger of Cotton Boll Technical Institute into Arkansas Northeastern College, this chapter declares the importance of the provision through the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., for salary equity in addition to incremental funding increases comparable to other institutions of higher education.

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:

(b) The bonds shall be payable from the general revenues of the state as such term is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., and such amount of general revenues as is necessary is hereby pledged to the payment of debt service on the bonds and shall be and remain pledged for such purposes.

SECTION 73. Arkansas Code § 6-62-719(a) and (b), concerning the payment of bonds under the Arkansas College Savings Bond Act of 1989, are amended to read as follows:

(a) On or before the commencement of each fiscal year, the Chief Fiscal Officer of the State shall determine the estimated amount required for payment of all or a part of debt service on the bonds issued under this subchapter during such fiscal year, after making deductions therefrom of estimated moneys to be available to the authority from other sources therefor and making the necessary transfer of such moneys, and shall certify such estimated amount to the Treasurer of State, who shall make monthly transfers from the State Apportionment Fund to the bond fund to provide for payment of all or part of the debt service on the bonds issued under this subchapter, of such amount of net general revenue as such term is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., as shall be required to pay the maturing debt service on bonds issued under this subchapter.

(b)(1) The Treasurer of State shall make such additional monthly transfer or transfers of net general revenue as the Chief Fiscal Officer of the State shall certify to him or her as being required to enable the Arkansas ~~Deveopment~~ Development Finance Authority to establish and thereafter maintain a debt service reserve fund, to provide a reserve or reserves for payment of debt service on the bonds.

(2)(A) The obligation to make monthly transfers of net general revenue from the State Apportionment Fund to the bond fund and to the debt service reserve fund shall constitute a first charge against said net general revenue prior to all other uses to which said net general revenue are devoted, either under present law or under any laws that may be enacted in the future;

(B) Provided, however, that, to the extent other general obligation bonds of the state may subsequently be incurred, all such general obligation bonds shall rank on a priority of security with respect to payment

from net general revenue.

SECTION 74. Arkansas Code § 6-62-1103(6), concerning the definitions used under the Arkansas Higher Education Technology and Facility Improvement Act of 2005, is amended to read as follows:

(6) "General revenues" means the general revenues defined in § ~~19-6-201~~ 19-41-201;

SECTION 75. Arkansas Code § 6-62-1104(b)(2), concerning the power and duties of the Arkansas Higher Education Coordinating Board under the Arkansas Higher Education Technology and Facility Improvement Act of 2005, is amended to read as follows:

(2) The Chief Fiscal Officer of the State shall determine whether the annual amount of the net general revenues required to be set aside from general revenues for payment of the remaining debt service requirements in connection with the bonds to be issued under this subchapter 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~~ 19-20-101 et seq.

SECTION 76. Arkansas Code § 6-62-1202(a), concerning loans made under the Sustainable Building Maintenance Program for State-Supported Institutions of Higher Education, is amended to read as follows:

(a) Under the Sustainable Building Maintenance Program for State-Supported Institutions of Higher Education, the Division of Higher Education may authorize money to be loaned from the Sustainable Building Maintenance Program for State-Supported Institutions of Higher Education Revolving Loan Fund, § ~~19-5-1285~~ 19-27-339, to a state-supported institution of higher education.

SECTION 77. Arkansas Code § 6-63-302 is amended to read as follows:

6-63-302. Applicability of subchapter — Other fiscal laws not superseded.

The provisions of this subchapter shall be applicable to all publicly supported institutions of higher education in this state and shall not

supersede the provisions of the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., the Uniform Classification and Compensation Act, § 21-5-201 et seq., the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., or other fiscal control laws of this state, and their successors.

SECTION 78. Arkansas Code § 6-63-317(c)(1) and (2), concerning regular salary procedures and restrictions under the Higher Education Expenditure Restriction Act, are amended to read as follows:

(c)(1) New funding through the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., that is determined by the Division of Higher Education to have been for salary increases for the current fiscal year for institutions of higher education shall be used exclusively for salary increases.

(2) New funding through the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., that is actually received for salary increases shall be spent exclusively for salary increases based upon the state general revenue portion of total unrestricted educational and general revenue.

SECTION 79. Arkansas Code § 6-81-201(b)(2), concerning the administration of student loan provisions of federal laws, is amended to read as follows:

(2) The foundation is not a state agency and therefore is not subject to the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., to the Arkansas Administrative Procedure Act, § 25-15-201 et seq., or to other enactments of the General Assembly which are applicable to state agencies. Therefore, the foundation is not required to deposit into the State Treasury any federal funds or other funds received by it.

SECTION 80. Arkansas Code § 6-82-2001(d), concerning the Graduate Medical Education Residency Expansion Board, is amended to read as follows:

(d) The Division of Higher Education shall administer the Graduate Medical Education Fund under § ~~19-5-1265~~ 19-27-319 and disburse the funds at the direction of the Graduate Medical Education Residency Expansion Board under this subchapter.

SECTION 81. Arkansas Code § 7-4-115 is amended to read as follows:

7-4-115. Legislative intent.

Due to the United States Eighth Circuit Court of Appeals ruling in Jones v. Conway County, Arkansas, 143 F.3d 417 (8th Cir. 1998), the status of county election commissioners as either county officials or state officials has become unclear. Because of this lack of clarity, there has been much confusion as to whether or not county election commissioners should have been or currently are immune from suit under the state's policy of tort immunity. It is the intent of the General Assembly to clarify the official status of county election commissioners. Prior to July 30, 1999, county election commissioners were state officials and, as such, were immune from suit pursuant to Arkansas Constitution, Article 5, § 20, and § ~~19-10-305~~ 25-44-305. Upon July 30, 1999, county election commissioners are hereby deemed to be county officials and are immune from suit pursuant to § 21-9-301.

SECTION 82. Arkansas Code § 7-5-301(d)(2)(A) and (B), concerning the acquisition, use, and cost of voting systems, are amended to read as follows:

(2)(A) The Secretary of State shall establish guidelines and procedures for a grant program to distribute funds from the County Voting System Grant Fund, § ~~19-5-1247~~ 19-27-303.

(B) A grant provided to a county from the County Voting System Grant Fund, § ~~19-5-1247~~ 19-27-303, shall be paid into the county treasury to the credit of the voting system grant fund.

SECTION 83. Arkansas Code § 7-6-217(g), concerning the creation of the Arkansas Ethics Commission, is amended to read as follows:

(g) The commission shall have the authority to:

(1) Under the Arkansas Administrative Procedure Act, § 25-15-201 et seq., promulgate reasonable rules to implement and administer the requirements of this subchapter, as well as § 7-1-114 [repealed]; the Disclosure Act for Public Initiatives, Referenda, and Measures Referred to Voters, § 7-9-401 et seq.; § ~~19-11-718~~ 19-64-503; § 21-8-301 et seq.; the Disclosure Act for Lobbyists and State and Local Officials, § 21-8-401 et seq., § 21-8-601 et seq., § 21-8-701 et seq., and § 21-8-801 et seq.; § 21-8-901 et seq.; § 21-8-1001 et seq.; § 25-1-125; and Arkansas Constitution, Article 19, §§ 28-30; and to govern procedures before the commission, matters of commission operations, and all investigative and disciplinary procedures and proceedings;

(2) Issue advisory opinions and guidelines on the requirements of § 6-24-101 et seq.; § 7-1-103(a)(1)-(4), (6), and (7); § 7-1-114 [repealed]; this subchapter; the Disclosure Act for Public Initiatives, Referenda, and Measures Referred to Voters, § 7-9-401 et seq.; § ~~19-11-718~~ 19-64-503; § 21-8-301 et seq.; the Disclosure Act for Lobbyists and State and Local Officials, § 21-8-401 et seq., § 21-8-601 et seq., § 21-8-701 et seq., and § 21-8-801 et seq.; § 21-8-901 et seq.; § 21-8-1001 et seq.; § 25-1-125; and Arkansas Constitution, Article 19, §§ 28-30;

(3) After a citizen complaint has been submitted to the commission, investigate alleged violations of § 6-24-101 et seq.; § 7-1-103(a)(1)-(4), (6), and (7); § 7-1-114 [repealed]; this subchapter; the Disclosure Act for Public Initiatives, Referenda, and Measures Referred to Voters, § 7-9-401 et seq.; § ~~19-11-718~~ 19-64-503; § 21-1-401 et seq.; § 21-8-301 et seq.; the Disclosure Act for Lobbyists and State and Local Officials, § 21-8-401 et seq., § 21-8-601 et seq., § 21-8-701 et seq., and § 21-8-801 et seq.; § 21-8-901 et seq.; § 21-8-1001 et seq.; § 25-1-125; and Arkansas Constitution, Article 19, §§ 28-30; and render findings and disciplinary action thereon;

(4) Pursuant to commission investigations, subpoena any person or the books, records, or other documents being held by any person and take sworn statements;

(5) Administer oaths for the purpose of taking sworn testimony of witnesses and conduct hearings;

(6) Hire a staff and retain legal counsel;

(7) Approve forms prepared by the Secretary of State under this subchapter; the Disclosure Act for Public Initiatives, Referenda, and Measures Referred to Voters, § 7-9-401 et seq.; § ~~19-11-718~~ 19-64-503; § 21-8-301 et seq.; the Disclosure Act for Lobbyists and State and Local Officials, § 21-8-401 et seq., § 21-8-601 et seq., § 21-8-701 et seq., and § 21-8-801 et seq.; § 21-8-901 et seq.; and § 21-8-1001 et seq.; and

SECTION 84. Arkansas Code § 8-7-509(g)(1), concerning the Hazardous Substance Remedial Action Trust Fund, is amended to read as follows:

(g)(1) Notwithstanding the provisions of §§ ~~19-6-108 and 19-6-601~~ 19-40-108 and 19-45-201, grants to the state under the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., and the Comprehensive

Environmental Response, Compensation, and Liability Act, Pub. L. No. 96-510, as each may be amended from time to time, and otherwise from the United States Environmental Protection Agency received by the Treasurer of State from the United States Government are declared to be cash funds restricted in their use and dedicated and are to be used solely as authorized in this subchapter and the Arkansas Brownfield Revolving Loan Fund Act, § 15-5-1501 et seq.

SECTION 85. Arkansas Code § 8-7-1311(b), concerning fees under the Phase I Environmental Site Assessment Consultant Act, is amended to read as follows:

(b) All fees collected under this subchapter shall be deposited into the Hazardous Waste Permit Fund, § ~~19-6-434~~ 19-43-226.

SECTION 86. Arkansas Code § 9-27-401(b)(2)(A), concerning the creation of the Division of Dependency-Neglect Representation within the Administrative Office of the Courts, is amended to read as follows:

(2)(A) Before employing or entering into a contract or contracts, the office shall consult with the judge or judges of the circuit court designated to hear dependency-neglect cases in their district plan under Supreme Court Administrative Order No. 14, originally issued April 6, 2001, in each judicial district in accordance with the provisions of § ~~19-11-1001~~ 19-67-101 et seq.

SECTION 87. Arkansas Code § 9-28-115(c), concerning immunity with respect to child placement services, is amended to read as follows:

(c) An approved volunteer who performs home studies without compensation shall have immunity from liability as provided for state officers and employees under § ~~19-10-305~~ 25-44-305. As used in this subsection, "approved volunteer" means a volunteer approved by:

(1) The department; and

(2) Any organization operating under a memorandum of understanding with the department for the completion of home studies.

SECTION 88. Arkansas Code § 9-28-1203(a)(2)(C)(ii), concerning requirements for the reinvestment plan developed by the Division of Youth

Services to redirect savings realized from a reduction in the number of secure out-of-home placements, is amended to read as follows:

(ii) Describe the methods and procedures to redirect savings in state costs from a reduction in the number of secure out-of-home placements through the reallocation of resources under § ~~19-4-522~~ 19-4-513;

SECTION 89. Arkansas Code Title 10, Chapter 2, Subchapter 1, is amended to add an additional section to read as follows to reenact §§ 19-1-701 and 19-1-702:

10-2-135. Fiscal impact statements required for rules — Definition.

(a) As used in this subchapter, "fiscal impact statement" means a realistic statement of the purpose of a proposed law, or a rule promulgated under a law, and the estimated financial cost to the state or any local school district of implementing or complying with the proposed law or rule.

(b) A fiscal impact statement shall be developed with the guidance of the Office of Economic and Tax Policy of the Bureau of Legislative Research and with the approval of the Division of Elementary and Secondary Education.

(c) Thirty-five (35) days prior to the adoption of any rule or other proposal that will impose a new or increased cost obligation for education on the state or any local school district, the board, commission, agency, department, officer, or other authority, excepting the General Assembly and the courts, shall give notice of such rule or proposal and shall file a fiscal impact statement with the Secretary of State and the House Committee on Education and the Senate Committee on Education.

SECTION 90. Arkansas Code § 10-3-1404(a)(1), concerning the forecast of general revenues, is amended to read as follows:

(a)(1) On or before the third Wednesday in May before the beginning of each fiscal year, the Chief Fiscal Officer of the State shall submit to the Joint Committee on Economic and Tax Policy the following forecasts of general revenues to be available under the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.:

(A) The official forecast for the upcoming fiscal year, including any revisions necessitated by the revised forecast required under subdivision (a)(1)(B) of this section; and

(B) A revised forecast for the current fiscal year.

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:

(d) All incomes derived through investment of the Workers' Compensation Fund, the Second Injury Trust Fund, and the Death and Permanent Total Disability Trust Fund shall be credited, as investment income, to the fund that participated in the investment. For the purpose of investment, Workers' Compensation Fund moneys shall be invested in accordance with the State Treasury Management Law, § ~~19-3-501~~ 19-3-301 et seq.

SECTION 96. Arkansas Code § 11-10-310(f), concerning the Director of the Division of Workforce Services and additional personnel of the Division of Workforce Services, is amended to read as follows:

(f) If the division requests continuation of a growth pool position as established under this subsection and subsection (e) of this section, the position shall be requested as a new position in the division's next budget request. Determining the maximum number of employees and the maximum amount of appropriation and general revenue funding for a state agency each fiscal year is the prerogative of the General Assembly. This is usually accomplished by delineating such maximums in the appropriation act or acts for a state agency and the general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq. Further, the General Assembly has determined that the division may operate more efficiently if some flexibility is provided to the division authorizing broad powers under this subsection and subsection (e) of this section. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or Joint Budget Committee as provided by this subsection and subsection (e) of this section. The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this subsection and subsection (e) of this section. If the requirement of approval by the Legislative Council or Joint Budget Committee is ruled unconstitutional by a court of competent jurisdiction, this entire subsection and subsection (e) of this section are void.

SECTION 97. Arkansas Code § 11-10-532(a)(3)(C), concerning penalties on fraudulent overpayments under the Division of Workforce Services Law, is amended to read as follows:

(C) The portion of the penalty assessed under subdivision

(a)(3)(A) of this section in excess of fifteen percent (15%) of the overpayment shall be deposited into a subaccount of the Division of Workforce Services Special Fund under § ~~19-5-984~~ 19-26-268, to be entitled the "UI Integrity Fund" that shall be used exclusively for integrity-related activities arising under this chapter.

SECTION 98. Arkansas Code § 11-10-708(a)(1)(C), concerning the advance interest tax under the Division of Workforce Services Law, is amended to read as follows:

(C) The tax is effective the first month of the quarter following the state's obtaining an interest-bearing advance and shall remain until the quarter immediately following the repayment of the advancement and the Employment Security Advance Interest Trust Fund, § ~~19-5-935~~ 19-26-227, attains a balance of five million dollars ($5,000,000).

SECTION 99. Arkansas Code § 11-10-716(b)(1)(A), concerning the collection of and interest on past due contributions under the Division of Workforce Services Law, is amended to read as follows:

(b)(1)(A) At the end of each month, deposits in the Unemployment Compensation Fund Clearing Account which have been established as interest and penalty payments collected pursuant to §§ 11-10-716 — 11-10-723 shall be paid over to the Treasurer of State and credited by him or her to the Division of Workforce Services Special Fund, § ~~19-5-984~~ 19-26-268, created and established in the State Treasury.

SECTION 100. Arkansas Code § 11-10-802(b)(1)(C), concerning accounts and deposits under the Division of Workforce Services Law, is amended to read as follows:

(C) All moneys received in the clearing account as proceeds of § 11-10-706(c) shall be deposited and credited to the Division of Workforce Services Special Fund, § ~~19-5-984~~ 19-26-268, pursuant to § 11-10-716.

SECTION 101. Arkansas Code Title 11 is amended to add additional chapters to read as follows to reenact §§ 19-5-701 — 19-5-705, §§ 19-5-707 — 19-5-710, §§ 19-5-801 — 19-5-804, §§ 19-5-806 — 19-5 809, § 19-10-102(b), §

19-10-103, § 19-10-105(1)-(3), § 19-10-401, § 19-10-402, and §§ 19-10-404 — 19-10-406:

CHAPTER 16

PUBLIC EMPLOYEES' UNEMPLOYMENT COMPENSATION

Subchapter 1 — General Provisions

Subchapter 2 — Reimbursement of Unemployment Compensation Benefits

11-16-201. Purpose.

It is the purpose of this subchapter that all programs, regardless of their funding source, contribute equally to the cost of unemployment compensation benefits charged to the state agencies operating such programs. It is not the intent of this subchapter that the State of Arkansas relinquish its status as a nontaxable reimbursable employer under the Division of Workforce Services Law, § 11-10-101 et seq.

11-16-202. Definitions.

As used in this subchapter, unless the context otherwise requires:

(1) "Contribution" means a percentage of payroll expenditures paid to the Unemployment Compensation Revolving Fund by a state agency in order to provide current and timely reimbursements of benefits paid by the Division of Workforce Services Law, § 11-10-101 et seq., for unemployment benefits charged to the agency;

(2) "Experience rate" means the process of adjustment in a future period of the contribution rate of an agency based on the difference of the amounts paid to the revolving fund for a fiscal year compared to the amounts of unemployment benefits charged to the agency for a fiscal year in order to recover deficits and refund surpluses;

(3) "Payroll" means the gross total amount expended for a payroll period for regular salaries, extra help, and authorized overtime payments; and

(4) "State agency" means any state agency, board, commission, department, institution, college, university, and community junior college receiving an appropriation for regular salaries, extra help, and authorized overtime payable from funds deposited into the State Treasury or depositories

other than the State Treasury by the General Assembly.

11-16-203. Applicability.

The provisions and applicability of this subchapter shall be in conjunction with other state laws governing the unemployment compensation of state employees. Employee coverage shall be in conformity with state and federal laws applicable to state employees' unemployment compensation. Nothing contained in this subchapter shall be applicable or construed to be applicable to laws regulating unemployment compensation for municipal or county employees.

11-16-204. Administration.

(a) This subchapter shall be administered by the Chief Fiscal Officer of the State.

(b) Upon certification to the Chief Fiscal Officer of the State by the Division of Workforce Services of unemployment compensation benefits paid during a benefit period and charged to a state agency, the Chief Fiscal Officer of the State shall direct that reimbursement be made to the division from the Unemployment Compensation Revolving Fund for such amounts as are properly certified.

(c) The Chief Fiscal Officer of the State shall have the authority to make such rules as are necessary to enforce the provisions of this subchapter.

11-16-205. Benefits claims investigations.

The Department of Workforce Services shall investigate all claims for benefits filed by state employees whether or not the employing state agency lodges a protest to the payment of such benefits. Such investigation shall result in a determination of the eligibility of the employee for benefit payments.

11-16-206. Contributions generally.

(a) Each state agency shall make contributions to the Unemployment Compensation Revolving Fund using the experience rate determined in accordance with § 11-10-704 from personal services matching costs funds within fourteen (14) calendar days following the end of each calendar

quarter. The experience rate for each even-numbered fiscal year will be used to fix the rate for the next even-numbered fiscal year. Each odd-numbered fiscal year's experience rate will be used to fix the next odd-numbered fiscal year rate.

(b) If during any fiscal year the Chief Fiscal Officer of the State determines that the contribution rate for any agency will result in a significant surplus or deficit for that fiscal year, then he or she shall have the authority to adjust the agency contribution rate to reduce such surplus or recover any such deficit, subject to the provisions of § 11-16-207.

11-16-207. Maximum contributions.

In no event shall any experience rate result in a state agency making contributions of more than three percent (3%) of its gross payroll expenditures. In the event that an agency builds a deficit which would require a contribution rate greater than three percent (3%), then that agency shall continue to make contributions at the rate of three percent (3%), even though eligible for an experience rate reduction, until any deficit owed the fund is repaid. Only then shall the actual experience rate be used to compute such agency contributions.

11-16-208. Loans.

(a) In the event that the Unemployment Compensation Revolving Fund does not have sufficient funds available from contributions by state agencies to make reimbursement to the Division of Workforce Services for benefits paid, loans may be made from the Budget Stabilization Trust Fund to make such payments.

(b) Any loans made to the Unemployment Compensation Revolving Fund shall be repaid by June 30 of the first fiscal year after the fiscal year in which such loans were made.

11-16-209. Financing.

Financing for the provisions of this subchapter shall be provided within the appropriations and financing authority authorized by the General Assembly for personal services matching costs.

CHAPTER 17
PUBLIC EMPLOYEES' WORKERS' COMPENSATION

Subchapter 1 — General Provisions

Subchapter 2 — Workers' Compensation Commission

11-17-201. Definitions.

As used in this subchapter:

(1) "General Assembly" means the appropriate subcommittee of the Legislative Council or the Joint Budget Committee that is assigned to hear appealed claims or claims requiring approval before being considered by the Legislative Council, the Joint Budget Committee, or the full General Assembly;

(2) "Insurer" means a person engaged as indemnitor, surety, or contractor in the business of entering into contracts of insurance; and

(3) "State agency" means a department, office, board, commission, or institution of this state, including a state-supported institution of higher education.

11-17-202. Legal representative for state agencies.

Legal representation for a public employer before the Workers' Compensation Commission shall be in the manner prescribed in § 21-5-606.

11-17-203. State employee not to represent claimant.

The following shall not appear before the Workers' Compensation Commission as an attorney or representative for a claimant in the presentation or prosecution of a claim filed under this subchapter:

(1) A full-time employee of:

(A) The State of Arkansas; or

(B) A state agency; or

(2) A member of a state agency.

11-17-204. Reports of personal injury or death.

All state officers, heads of agencies, departments, and institutions shall file a report with the Workers' Compensation Commission, within ten

(10) days after knowledge of any personal injury or death of any employee of the state or any of its agencies, departments, or institutions. This report shall be made on forms approved by the commission and shall give the date, place, and time of day of any such injury or death, briefly stating the circumstances and extent thereof, the name of the injured or deceased person, and the names of any and all witnesses.

11-17-205. Jurisdiction and procedure.

(a)(1) The Workers' Compensation Commission shall have exclusive jurisdiction, as limited in this subchapter, of all claims against the State of Arkansas and its several agencies, departments, and institutions for personal injuries and deaths of employees and officers of the State of Arkansas and its agencies, departments, and institutions arising out of and in the course of employment or service.

(2)(A) Awards for these injuries and deaths shall be made by the commission in the same amounts and on the same terms and conditions as if such injuries and deaths had arisen out of and in the course of private employment covered by the Workers' Compensation Law, § 11-9-101 et seq.

(B) The procedure to be followed in the presentation, hearing, and determination of claims shall, in all respects, be the same as in claims for compensation for injuries and deaths arising out of and in the course of private employment covered by the Workers' Compensation Law, § 11-9-101 et seq.

(b) The General Assembly shall at each session appropriate, from such sources as it may see fit, a sum sufficient to satisfy such claims as are or probably will be payable during the following fiscal year under awards made under this section. The commission shall direct the distributions of this fund and make disbursements upon the vouchers issued against it.

11-17-206. State deemed self-insurer.

For the purposes of this subchapter, the State of Arkansas shall be considered a self-insurer and shall be exempt from all fees and tax as such.

11-17-207. Awards and expenses.

In the event an award is made, the Workers' Compensation Commission shall immediately take the necessary steps to pay the award and all expenses

incidental to the claim from any funds previously made available by the General Assembly for such purpose.

11-17-208. Report of findings.

Upon the allowance or disallowance of any claim, the Workers' Compensation Commission shall immediately transmit a copy of its findings to the Secretary of the Department of Finance and Administration and interested parties.

Subchapter 3 — Reimbursement of Workers' Compensation Benefits

11-17-301. Purpose.

It is the purpose of this subchapter that all programs, regardless of their funding source, contribute equally to the cost of workers' compensation benefits charged to the state agencies operating such programs.

11-17-302. Definitions.

As used in this subchapter, unless the context otherwise requires:

(1) "Contribution" means a percentage of payroll expenditures paid to the Workers' Compensation Revolving Fund by a state agency in order to provide current and timely reimbursements of benefits paid by the Workers' Compensation Commission for workers' compensation benefits charged to the agency;

(2) "Experience rate" means the process of adjustment in a future period of the contribution rate of a state agency based on the difference of the amounts paid to the Workers' Compensation Revolving Fund for a fiscal year compared to the amounts of workers' compensation benefits charged to the agency for a fiscal year in order to recover deficits and refund surpluses;

(3) "Payroll" means the gross total amount expended for a payroll period for regular salaries, extra help, and authorized overtime payments; and

(4) "State agency" means any state agency, board, commission, department, institution, college, university, and community junior college receiving appropriation for regular salaries, extra help, and authorized overtime payable from funds deposited into the State Treasury or depositories

other than the State Treasury by the General Assembly.

11-17-303. Applicability.

It is the intent of the General Assembly that the provisions of the workers' compensation laws contained in § 11-9-502 apply to state agencies and that "employer" as used in that statute includes state agencies.

11-17-304. Administration.

This subchapter shall be administered by the Chief Fiscal Officer of the State. The Chief Fiscal Officer of the State shall have the authority to establish procedures and to make such rules as are necessary to enforce the provisions of this subchapter.

11-17-305. Contributions generally.

(a) Each state agency shall make contributions to the Workers' Compensation Revolving Fund, using the experience rate determined in accordance with this section, from personal services matching costs funds within fourteen (14) calendar days following the end of each calendar quarter. The experience rate for each even-numbered fiscal year will be used to fix the rate for the next even-numbered fiscal year. Each odd-numbered fiscal year's experience rate will be used to fix the next odd-numbered fiscal year's rate.

(b) If during any fiscal year the Chief Fiscal Officer of the State determines that the contribution rate for any agency will result in a significant surplus or deficit for that fiscal year, he or she shall have the authority to adjust the agency contribution rate to reduce such surplus or recover any such deficit, subject to the provisions of § 11-17-306.

11-17-306. Maximum contributions.

In the event a state agency builds a deficit which would require a contribution rate greater than two percent (2%), the agency shall continue to make contributions at the rate of two percent (2%) until any deficit owed the fund is repaid. In the event an agency's experience rate exceeds two percent (2%) for one (1) full fiscal year, their contribution rate shall be adjusted to equal their experience rate, not to exceed a maximum of five percent (5%). Their contributions shall remain at that level until their experience rate

decreases and their accumulated deficit is repaid.

11-17-307. Loans.

If the Workers' Compensation Revolving Fund does not have sufficient funds available from contributions by state agencies for paying awarded workers' compensation benefits to state employees, loans may be made from the Budget Stabilization Trust Fund to make such payments. Any loans made to the Workers' Compensation Revolving Fund shall be repaid by June 30 of the first fiscal year after the fiscal year in which such loans were made.

11-17-308. Financing.

Financing the provisions of this subchapter shall be provided within the appropriations and financing authority as authorized by the General Assembly for personal services matching costs.

SECTION 102. Arkansas Code Title 14, Chapter 1, Subchapter 1, is amended to add an additional section to read as follows to reenact §§ 19-1-301 and 19-1-302:

14-1-111. Fiscal impact before adoption of rule, etc. — Definition.

(a) As used in this subchapter, unless the context otherwise requires, "fiscal impact statement" means a realistic statement of the estimated financial cost of implementing or complying with the proposed law, rule, policy, order, or administrative law upon municipalities or counties to which the proposed law, rule, policy, order, or administrative law applies.

(b) No rule, policy, order, or administrative law which would have a fiscal impact on any municipality or county in this state shall be valid unless, thirty (30) days prior to its adoption by a board, commission, agency, department, officer, or other authority of the government of the State of Arkansas, excepting the General Assembly, the courts, and the Governor, the board, commission, agency, department, officer, or other authority has filed a fiscal impact statement with the Secretary of State.

(c) Any municipality or county which will be affected by the proposed rule, policy, order, or administrative law upon request shall immediately be furnished with a copy of the fiscal impact statement by the board, commission, agency, department, officer, or other authority.

SECTION 103. Arkansas Code § 12-6-802(e), concerning grant funding for violent crime clearance, is amended to read as follows:

(e) The secretary and the department shall only be obligated to comply with this section in years in which the Violent Crime Clearance Grant Fund, § ~~19-5-1282~~ 19-27-336, receives at least one million dollars ($1,000,000) in funding.

SECTION 104. Arkansas Code § 12-6-803(b)(3), concerning the powers of the Department of Public Safety to carry out the additional duties of the Department of Public Safety, is amended to read as follows:

(3) Spend up to five percent (5%) of funds in the Violent Crime Clearance Grant Fund, § ~~19-5-1282~~ 19-27-336, on the necessary costs of administering this subchapter, including without limitation the costs described in this section.

SECTION 105. Arkansas Code § 12-9-104(17), concerning the powers of the Arkansas Commission on Law Enforcement Standards and Training, is amended to read as follows:

(17) Adopt rules to implement §§ 14-15-309 and ~~19-6-821~~ 19-43-293; and

SECTION 106. Arkansas Code § 12-9-111(a), concerning uniforms for students and law enforcement officers, is amended to read as follows:

(a) The Arkansas Commission on Law Enforcement Standards and Training is exempt from § ~~19-6-109(c)~~ 19-40-109(c) for the purpose of buying uniforms for students and law enforcement officers employed by the Division of Law Enforcement Standards and Training.

SECTION 107. Arkansas Code § 12-10-318(g)(4)(B), concerning the deposit of the public safety charge into the Arkansas Public Safety Trust Fund, is amended to read as follows:

(B) The Arkansas Public Safety Trust Fund shall provide disbursements as provided by § ~~19-5-1152~~ 19-26-325.

SECTION 108. Arkansas Code § 12-12-910(c), concerning the fine imposed under the Sex Offender Registration Act of 1997, is amended to read as

follows:

(c)(1) The fine provided in subsection (a) of this section and collected in circuit court, district court, or city court shall be remitted by the tenth day of each month to the Administration of Justice Funds Section of the Office of Administrative Services of the Department of Finance and Administration on a form provided by that office for deposit into the Sex ~~and Child~~ Offenders Registration Fund as established by § 12-12-911.

(2) The fee provided in subsection (b) of this section shall be collected by the law enforcement agency having jurisdiction over the person's sex offender verification and shall be remitted by the tenth day of each month to the Administration of Justice Funds Section of the Office of Administrative Services of the Department of Finance and Administration on a form provided by that office for deposit into the Sex ~~and Child~~ Offenders Registration Fund as established by § 12-12-911.

SECTION 109. Arkansas Code § 12-12-911(a), concerning the Sex and Child Offenders Registration Fund, is amended to read as follows:

(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 "Sex ~~and Child~~ Offenders Registration Fund".

SECTION 110. Arkansas Code § 12-27-122(b), concerning debt service accounts of the Division of Correction, is amended to read as follows:

(b) Payments made by the division from the work-release cash funds, Construction Fund Deficiency Account, Prisoner Housing Contract Account, and the Regional Facilities Operations Account which are made for bonded indebtedness or leases of regional correction facilities, or both, are specifically exempt from §§ ~~19-4-801 – 19-4-803, 19-4-805, and 19-4-806~~ 19-4-801 – 19-4-805.

SECTION 111. Arkansas Code § 12-27-128(a), concerning the Division of Correction Nontax Revenue Receipts Fund, is amended to read as follows:

(a) There is created in accordance with §§ ~~19-4-801 – 19-4-803, 19-4-804 [repealed], 19-4-805, 19-4-806~~ 19-4-801 – 19-4-805, and the Revenue Classification Law, § ~~19-6-101~~ 19-40-101 et seq., a cash fund entitled the Division of Correction Nontax Revenue Receipts Fund to consist of receipts

for telephone calls from coinless telephones located on Division of Correction grounds, and from other nontax receipts not previously identified to a fund of deposit.

SECTION 112. Arkansas Code § 12-27-133 is amended to read as follows:

12-27-133. Community Correction Revolving Fund.

There is created and 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 "Community Correction Revolving Fund", which shall consist of those special revenues as specified in § ~~19-6-301(31)~~ 19-42-201(31) and fees and sanctions levied by the courts or authorized by the Board of Corrections for participation in specified programs to be paid by offenders on community correction, there to be used for continuation and expansion of community correction programs as established and approved by the board and as may be provided by law.

SECTION 113. Arkansas Code § 12-27-142(b), concerning the medical services contract for the Division of Correction and Division of Community Correction, is amended to read as follows:

(b) Except as provided in subsection (a) of this section, the professional services contracts for medical services shall comply with all other provisions of the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and rules promulgated under the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.

SECTION 114. Arkansas Code § 12-29-602 is amended to read as follows:

12-29-602. Immunity not affected.

The provisions of this subchapter are not intended to in any way affect the immunity from suit granted to state officials and employees under § ~~19-10-305~~ 25-44-305 or to the state and its official agencies under Arkansas Constitution, Article 5, § 20.

SECTION 115. Arkansas Code § 12-62-305 is amended to read as follows:

12-62-305. Pay and care — Service injury or disability.

Members of the Arkansas National Guard or militia, during the period in which they are in the active service of the state pursuant to orders of the

Governor as provided by law, shall be entitled to coverage and benefits of the workers' compensation law for state employees, §§ ~~19-10-101 — 19-10-103, 19-10-202 — 19-10-210, and 19-10-401 — 19-10-406~~ 11-17-202 — 11-17-208, 25-44-102 — 25-44-104, 25-44-202 — 25-44-210.

SECTION 116. Arkansas Code § 13-5-315(b), concerning debt service and the pledge of revenues and earnings from admission charges under the Arkansas Museum and Cultural Center Act, is amended to read as follows:

(b) As additional security, the payment of debt service may be secured by a pledge of earnings to the extent specified in this section derived from the investment of state funds pursuant to the State Treasury Management Law, § ~~19-3-501~~ 19-3-301 et seq., known as the "investment earnings".

SECTION 117. Arkansas Code § 14-1-606(f), concerning the prohibition on ownership of a digital asset mining business by a prohibited foreign-party-controlled business, is amended to read as follows:

(f) Civil penalties and damages received by the Attorney General under this section shall be distributed as follows:

(1) Fifty percent (50%) to the Oil and Gas Commission Fund, § ~~19-6-410~~ 19-43-209; and

(2) Fifty percent (50%) to the Attorney General to be used in the same manner as provided in § 25-16-718.

SECTION 118. Arkansas Code § 14-16-116(d), concerning the exchange or transfer of property by counties, is amended to read as follows:

(d) A transfer made under this section is exempt from §§ 14-16-105 and 14-16-106, § 14-22-101 et seq., and the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.

SECTION 119. Arkansas Code § 14-58-101(b)(5) and (6), concerning the requirement that an audit of a municipality by an independent accountant include a review and comments on substantial compliance with certain laws, are amended to read as follows:

(5) Investment of public funds, § ~~19-1-501~~ 19-1-401 et seq.; and

(6) Deposit of public funds, §§ ~~19-8-101 — 19-8-107~~ 19-5-101 — 19-5-107.

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.

SECTION 124. Arkansas Code § 14-77-102(2)(D)(viii), concerning the laws applicable to political subdivisions under the definition of "fiscal responsibility and management laws" used under the Local Fiscal Management Responsibility Act, is amended to read as follows:

(viii) Depositories for Public Funds, § ~~19-8-101~~ 19-5-101 et seq.;

SECTION 125. Arkansas Code § 14-78-103(g), concerning authorization for municipalities and counties to issue obligations, is amended to read as follows:

(g) The obligations shall be signed by the chief executive officer of the issuer and shall be executed in the manner provided by the Registered Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq.

SECTION 126. Arkansas Code Title 14, Subtitle 4, is amended to add an additional chapter to read as follows to reenact §§ 19-8-301 — 19-8-311:

CHAPTER 79

LOCAL GOVERNMENT JOINT INVESTMENT TRUST ACT

14-79-101. Title.

This subchapter may be cited as the “Local Government Joint Investment Trust Act”.

14-79-102. Purpose.

The purpose of this subchapter is to permit local governments in Arkansas to join together to establish trusts for joint investment of moneys not currently needed so as to enhance their investment opportunities and increase investment earnings. This subchapter shall be deemed to provide an additional and alternative method of investment for local governments. It is supplemental to existing investment authority.

14-79-103. Definitions.

For purposes of this subchapter:

(1) “Local government” shall mean:

(A) Any city, county, school district, or community college district of this state;

(B) Any department, instrumentality, or agency of these entities, including local fire and police pension and relief funds; and

(C) Any department, instrumentality, or agency of these entities, including a local government association;

(2) "Local government association" shall mean the Arkansas Municipal League, the Association of Arkansas Counties, the Arkansas School Boards Association, or any similar organization whose membership is composed of local governments or their elected officials;

(3) "Participant" shall mean a local government which is a party to a trust agreement;

(4) "Private agency" shall mean any individual or any form of business organization authorized under the laws of this or any other state; and

(5) "Trust agreement" shall mean the agreement, indenture, or other instrument creating a trust pursuant to this subchapter, together with any supplements thereto.

14-79-104. Creation of trusts.

(a) Ten (10) or more local governments may create a trust under this subchapter by ordinance, resolution, or otherwise pursuant to law of their governing bodies to provide for the joint investment of moneys not currently needed by the local governments creating the trust and by other local governments that become parties to the trust.

(b) Each trust shall be created by trust agreement.

(c) Following the creation of a trust agreement, other local governments may become parties to the trust agreement with appropriate action taken by the local depository board, board of directors of a school district, or other authorized party responsible for decisions related to bank deposits and investments.

14-79-105. Terms of trust agreement.

(a) Each trust agreement shall specify the following:

(1) Its duration;

(2)(A) The number, qualifications, method of election, and terms

of the trustees who shall serve as the governing body of the trust.

(B)(i) Each trust shall have a minimum of seven (7) trustees.

(ii) Only current elected officials and active or retired employees of a local government or of a local government association may serve as trustees.

(iii) A majority of the trustees must be officials or employees of participants.

(C)(i) Each trustee shall be elected by the participants for a term not to exceed three (3) years.

(ii) The terms of office shall be staggered so that at least one-third (⅓) of the trustees are elected each year.

(D) Each participant shall be entitled to one (1) vote in each election of trustees;

(3) The qualifications, terms, and conditions necessary for additional local governments to become parties to the trust;

(4) The terms and conditions under which local governments may withdraw as parties to the trust; provided, that any party shall have the unconditional right to withdraw upon not more than ninety (90) days' notice;

(5) The permissible methods for acquiring, holding, and disposing of real and personal property used in the operation of the trust;

(6) The maximum amount of funds of participants the trust may accept for investment;

(7) The permissible methods to be employed in accomplishing the partial or complete termination of the trust and for disposing of property upon the partial or complete termination;

(8) The terms and conditions under which the trust agreement may be amended and supplemented; and

(9) Any other necessary and proper matters.

(b) Each addition of a local government as a party to a trust, each withdrawal of a local government as a party to a trust, and each amendment or supplement to a trust agreement shall be evidenced by a written supplement to the trust agreement.

14-79-106. Filing of trust agreement and supplements thereto.

No trust agreement or supplement to a trust agreement shall be

effective until it is filed with the Secretary of State.

14-79-107. Common trust funds — Individual investment accounts.

(a) Each trust created pursuant to this subchapter shall establish one (1) or more common trust funds. Moneys held for the credit of a common trust fund shall be invested only in authorized common trust fund investments.

(b) Assets held for the credit of a common trust fund shall be divided into units of participation, and each participant who invests in the common trust fund shall be the owner of such units in proportion to the amount of its investment. Such units shall be authorized investments for participants.

(c) If authorized by its trust agreement, and notwithstanding any other provision of state law, a trust may also act as trustee of individual investment accounts of participants. Moneys held for the credit of an individual investment account shall be invested only in obligations which are, at the time of investment, authorized investments for the participant under applicable law, excluding this subchapter.

14-79-108. Authorized common trust fund investments.

A trust created under this subchapter may invest moneys held for the credit of a common trust fund in the same manner as cities under §§ 19-1-404 and 19-1-405 and according to the investment policy adopted by the board of directors of the trust.

14-79-109. Power to own property and contract.

(a) A trust created under this subchapter shall, subject to any limitations in the trust agreement, have power to own real and personal property necessary to carry out its functions and to contract with local government associations and private agencies for necessary services in carrying out its functions.

(b) Without limiting the generality of the foregoing, a trust may be authorized to employ an investment advisor, a trust administrator, a custodian of investments, and a person or firm to market trust investment programs.

14-79-110. Records.

(a) Each trust shall cause proper books of account and records to be

kept in which complete and correct entries shall be made of all transactions relating to its operations.

(b) Such books shall be available for inspection by each participant at reasonable times.

(c) Each trust shall have the records audited by the Legislative Joint Auditing Committee or by a certified public accountant one (1) time each year.

(d) A copy of the audit shall be furnished to each participant and a copy shall be filed with the Secretary of State.

14-79-111. Direct deposits by State of Arkansas into local government cash management trust account.

(a) Notwithstanding any other provision of law, the following funds remitted to municipalities by the State of Arkansas may be deposited directly into a municipality's Arkansas local government cash management trust account, established pursuant to this subchapter:

(1) The Municipal Aid Fund, as described in § 19-25-101;

(2) The special highway revenues made available by the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.; and

(3) The special revenues listed in the Revenue Classification Law, § 19-41-201 et seq., including, but not limited to, those generated by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(b)(1) Upon receipt of a resolution enacted by the governing body of a municipality, the officials responsible for the transmittal of funds to the municipality shall directly deposit the funds into the municipality's local government cash management trust account.

(2) The resolution shall state the following:

(A) The name of the municipality;

(B) The funds to be transmitted; and

(C) The municipality's local government cash management trust account number.

(c)(1) Direct deposits as provided in this section shall continue to be made until the state official or officials responsible for transmitting the funds receive a copy of a resolution enacted by the governing body of the municipality requesting the termination of the deposits.

(2) Upon receipt, the funds shall be transmitted as provided by

this section.

SECTION 127. Arkansas Code § 14-116-402(a)(13)(B), concerning the powers of a water district to issue obligations under The Regional Water Distribution District Act, is amended to read as follows:

(B) The obligations may be in the form of negotiable bonds but may be registered as public obligations under the Registered Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq., may be issued in one (1) or more series, may bear such date or dates, may mature at such times, not exceeding forty (40) years from their respective dates, may bear interest at rate or rates, may be in such form, may be executed in such manner, may be payable in such medium of payment, may be payable at such place or places, within or without the State of Arkansas, may be subject to such terms of redemption, and may contain such terms, covenants, and conditions as the resolution of the board authorizing the bonds may provide.

SECTION 128. Arkansas Code § 14-142-214 is amended to read as follows:

14-142-214. Bonds generally — Execution.

The bonds shall be executed in the manner provided by the Registered Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq., as that subchapter may be amended.

SECTION 129. Arkansas Code § 14-143-130(a), concerning funding for regional intermodal facilities, is amended to read as follows:

(a) The Arkansas Department of Transportation shall distribute the first five hundred twenty-five thousand dollars ($525,000) of interest income received under § 27-70-204 each year from the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund. The moneys shall be:

(1) Equally distributed to each authority;

(2) Deposited into a bank as the authority may direct under § 14-143-124(a)(1); and

(3) Used for the purposes and the implementation of the powers authorized under this chapter.

SECTION 130. Arkansas Code § 14-164-314 is amended to read as follows:

14-164-314. Bonds generally — Execution.

The bonds shall be executed in the manner provided by the Registered Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq., as that act may be amended.

SECTION 131. Arkansas Code § 14-164-402(12)(A), concerning the facilities included in the definition of "performance-based efficiency project" to be used under the Local Government Capital Improvement Revenue Bond Act of 1985, is amended to read as follows:

(A) A new facility that is designed to reduce the consumption of energy or natural resources or results in operating cost savings as a result of changes that:

(i) Do not degrade the level of service or working conditions;

(ii) Are measurable and verifiable under the International Performance Measurement and Verification Protocol, promulgated by the Arkansas Pollution Control and Ecology Commission in the rules required under § ~~19-11-1207~~ 19-68-301; and

(iii) Are measured and verified by an audit performed by an independent engineer or by a qualified efficiency engineering company, including the vendor providing the performance-based efficiency project; or

SECTION 132. Arkansas Code § 14-164-410 is amended to read as follows:

14-164-410. Bonds — Execution.

The bonds shall be executed in the manner provided by the Registered Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq., as that act may be amended.

SECTION 133. Arkansas Code § 14-164-419 is amended to read as follows:

14-164-419. Contract requirements.

(a) All services provided by a qualified efficiency engineer in completing a performance-based efficiency project pursuant to a qualified efficiency contract, including, but not limited to, the procurement of any goods and services in connection with the performance-based efficiency project, shall be considered professional services under § ~~19-11-801~~ 19-65-

101 et seq.

(b) An issuer's engagement of a qualified efficiency engineering company and execution of a qualified efficiency contract in favor of a qualified efficiency engineering company shall be subject to § ~~19-11-801~~ 19-65-101 et seq., but shall be exempt from all competitive bidding statutes, including, but not limited to, § 14-43-601 et seq., § 14-47-101 et seq., § 14-48-101 et seq., § 14-54-301 et seq., § 14-54-401 et seq., § 14-58-301 et seq., § 14-141-101 et seq., the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., § ~~19-11-101~~ 19-60-101 et seq., § 22-1-201 et seq., the Building Authority Division Act, § 22-2-101 et seq., § 22-3-202 et seq., § 22-4-101 et seq., § 22-5-101 et seq., § 22-6-101 et seq., § 22-7-101 et seq., § 22-8-101 et seq., and § 22-9-101 et seq.

SECTION 134. Arkansas Code § 14-164-514(b), concerning the execution of bonds and coupons under the Economic and Industrial Development Revenue Bond Law of 1985, is amended to read as follows:

(b) The bonds shall be executed in the manner provided by the Registered Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq., as that act may be amended.

SECTION 135. Arkansas Code § 14-164-803(4)(A), concerning the facilities included in the definition of "energy efficiency project" to be used under the Local Government Energy Efficiency Project Bond Act, is amended to read as follows:

(A) A new facility that is designed to reduce the consumption of energy or natural resources or result in operating cost savings as a result of changes that:

(i) Do not degrade the level of service or working conditions;

(ii) Are measurable and verifiable under the International Performance Measurement and Verification Protocol, promulgated by the Arkansas Pollution Control and Ecology Commission in the rules required under § ~~19-11-1207~~ 19-68-301; and

(iii) Are measured and verified by an audit performed by an independent engineer or by a qualified provider, including the vendor providing the energy efficiency project; or

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;

(6) “Project” means any resettlement project or rural rehabilitation project for resettlement purposes of the United States located within a political subdivision and shall include the persons inhabiting such a project; and

(7) “Service” means such public and municipal functions performed for property in and persons residing within a political subdivision.

14-168-402. Agreements for payments by United States in lieu of taxes.

(a) The county judge of any county in this state is authorized and empowered to make requests of the United States, for and on behalf of the county and the political subdivisions whose jurisdictional limits are within or coextensive with the limits of the county, for the payment of such sums in lieu of taxes as the United States may agree to pay. The county judge may enter into agreements with the United States in the name of the county for the performance of services by the county and such political subdivisions for the benefit of the project and for the payment by the United States to the county, in one (1) or more installments, of such sums in lieu of taxes.

(b) Each political subdivision shall participate in such funds in proportion to the prevailing local tax involved on such property.

14-168-403. Determination of payment amounts.

The amount of any payment of sums in lieu of taxes may be based on the estimated cost to each political subdivision, for and on whose behalf the agreement is entered into, of performing services for the benefit of a project during the period of the agreement after taking into consideration the benefits to be derived by the subdivision from the project. However, these sums shall not be in excess of the taxes which would result to the subdivision for the period if the real property of the project within the subdivision were taxable.

14-168-404. Contents of agreement.

Each agreement entered into pursuant to § 14-168-402 shall contain the names of the political subdivisions with respect to which it is consummated and a statement of the proportionate share of the payment by the United States to which each subdivision shall be entitled.

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.

(3) Whenever such warrant is presented to the county treasurer, he or she shall debit the proper account in the fund and shall pay immediately the amount of such warrant in full, without any deduction, to the political subdivision presenting it, notwithstanding any law providing the order in which warrants shall be paid.

(4) The county treasurer shall not honor such warrant unless it is countersigned by the presiding officer of the governing body of the political subdivision.

(c)(1) The acceptance by a political subdivision of any warrant delivered pursuant to this section shall be considered as an approval of the agreement under which the payment was received.

(2) If any governing body of a political subdivision shall refuse to receive any warrant delivered pursuant to this section, the amount thereof shall be refunded by the county to the United States.

14-168-408. Right of political subdivision to request payment.

(a) If the United States declines to deal with a county judge with respect to any political subdivision whose jurisdictional limits are within or coextensive with the limits of the county, or in the event the jurisdictional limits of a political subdivision lie in more than one (1) county, then that subdivision is authorized to make request of the United States for the payment of such sums in lieu of taxes as the United States may agree to pay. The subdivision is empowered to enter into agreements with the United States for the performance by the subdivision of services for the benefit of a project, and for the payment by the United States to the subdivision, in one (1) or more installments, of sums in lieu of taxes.

(b) The amount of the payment may be based upon the cost of performing the services during the period of the agreement, after taking into consideration the benefits to be derived by the subdivision from the project, but shall not be in excess of the taxes which would result to the political subdivision during the period if the real property of the project within the political subdivision were taxable.

(c) Whenever any payment is received by a subdivision under an agreement entered into pursuant to this section, the governing body of the subdivision shall issue a receipt of the payment to the United States.

14-168-409. Disposition of funds.

(a) All moneys received by a political subdivision pursuant to § 14-168-407 or § 14-168-408 shall be deposited into such funds or items of a fund as may be designated in the agreement.

(b) If the agreement does not make such designation, the moneys shall be deposited into such funds or items of a fund as the governing body of the subdivision shall, by appropriate resolution, direct.

14-168-410. Services of subdivision not to be denied.

In the absence of an agreement for payment of sums in lieu of taxes by the United States as provided in this subchapter, no provision of this subchapter shall be construed to relieve any political subdivision of this state of the duty of furnishing for the benefit of a project all services which the subdivision usually furnishes for the property in, and persons residing within, the subdivision without a payment of sums in lieu of taxes.

SECTION 140. Arkansas Code § 14-217-113 is amended to read as follows:

14-217-113. Refunding bonds.

Bonds may be issued for the purpose of refunding any bonds issued under this chapter. Refunding bonds may be either sold or delivered in exchange for the bonds being refunded. If sold, the proceeds may be either applied to payment of the bonds being refunded or deposited in trust and applied as provided by § ~~19-9-301~~ 19-6-301.

SECTION 141. Arkansas Code § 14-233-109(b)(3)(B), concerning bonds issued and sold under the Joint County and Municipal Solid Waste Disposal Act, is amended to read as follows:

(B) The provisions of the Revenue Bond Act of 1987, § ~~19-9-601~~ 19-6-601 et seq., do not apply to this section.

SECTION 142. Arkansas Code § 14-234-120(a), concerning the filing of the audit report required for entities receiving fees from customers for providing sewage services, is amended to read as follows:

(a) As used in this section, "turnback funds" means:

(1) General revenue turnback funds, as defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.; and

(2) Highway revenue turnback funds, as distributed under § 27-70-207.

SECTION 143. Arkansas Code § 14-262-104(i), concerning the county health officer, is amended to read as follows:

(i) When performing official duties, a county health officer is immune from civil suit and liability in the same manner officers and employees of the State of Arkansas are immune under § ~~19-10-305~~ 25-44-305 and Arkansas Constitution, Article 5, § 20.

SECTION 144. Arkansas Code § 14-284-403(a)(1), concerning the apportionment of funds derived from insurance premium taxes, is amended to read as follows:

(a)(1) These premium tax moneys are assessed for disbursement from the Fire Protection Premium Tax Fund, § ~~19-6-468~~ 19-43-256, by the Department of Finance and Administration to the counties in the following percentages:

Arkansas County — 0.78%, Ashley County — 1.39%, Baxter County — 1.78%, Benton County — 3.86%, Boone County — 1.46%, Bradley County — 0.52%, Calhoun County — 0.51%, Carroll County — 0.97%, Chicot County — 0.51%, Clark County — 1.13%, Clay County — 1.10%, Cleburne County — 1.11%, Cleveland County — 0.66%, Columbia County — 1.24%, Conway County — 1.04%, Craighead County — 2.91%, Crawford County — 1.98%, Crittenden County — 1.32%, Cross County — 0.84%, Dallas County — 0.45%, Desha County — 0.71%, Drew County — 0.80%, Faulkner County — 2.30%, Franklin County — 0.97%, Fulton County — 0.84%, Garland County — 3.12%, Grant County — 1.13%, Greene County — 1.39%, Hempstead County — 1.89%, Hot Spring County — 1.46%, Howard County — 0.75%, Independence County — 1.90%, Izard County — 0.91%, Jackson County — 0.95%, Jefferson County — 2.32%, Johnson County — 1.05%, Lafayette County — 0.71%, Lawrence County — 0.96%, Lee County — 0.73%, Lincoln County — 1.12%, Little River County — 0.77%, Logan County — 1.06%, Lonoke County — 1.70%, Madison County — 0.95%, Marion County — 1.00%, Miller County — 1.44%, Mississippi County — 1.77%, Monroe County — 0.53%, Montgomery County — 0.66%, Nevada County — 0.58%, Newton County — 0.67%, Ouachita County — 1.37%, Perry County — 0.62%, Phillips County — 1.12%, Pike County — 0.87%, Poinsett County — 1.14%, Polk County — 1.01%, Pope County — 1.73%, Prairie County — 0.83%, Pulaski County — 5.99%, Randolph County — 0.96%, St. Francis County — 1.45%,

Saline County – 3.00%, Scott County – 0.59%, Searcy County – 0.73%, Sebastian County – 2.06%, Sevier County – 0.82%, Sharp County – 1.30%, Stone County – 0.77%, Union County – 2.01%, Van Buren County – 1.18%, Washington County – 3.46%, White County – 2.71%, Woodruff County – 0.47%, and Yell County – 1.11%.

SECTION 145. Arkansas Code § 15-3-503(b)(2), concerning advice and recommendations provided by the Board of Directors of the Division of Science and Technology of the Arkansas Economic Development Commission, is amended to read as follows:

(2) For funds in or allocated to the Arkansas Acceleration Fund, § ~~19-5-1243~~ 19-27-298, the board shall make recommendations to the commission regarding the allocation or reallocation of funds and moneys for programs and initiatives authorized by the:

(A) Arkansas Research Alliance Act, § 15-3-301 et seq.;

(B) Innovate Arkansas Fund, § ~~19-5-1237~~ 19-27-292;

(C) Venture Capital Investment Act of 2001, § 15-5-1401 et seq.;

(D) Supplemental science, technology, engineering, and math fund grants under § 6-17-2701 et seq.;

(E) Existing programs of the commission authorized under § 15-3-101 et seq., § 15-3-201 et seq., and § 15-3-401 et seq.;

(F) [Repealed.]

(G) Any other programs or activities aimed at the creation of knowledge-based and high-technology jobs;

(H) Arkansas Business and Technology Accelerator Act, § 15-3-601 et seq.; and

(I) Arkansas Small Business Innovation Research Matching Grant Program, § 15-3-701 et seq.

SECTION 146. Arkansas Code § 15-4-219(l)(A), concerning the information required to be included in the annual report by the Arkansas Economic Development Commission on the commission's work, is amended to read as follows:

(A) Each project that was offered incentives in the previous calendar year, including without limitation:

(i) The number of jobs proposed by each project;

(ii) For each job creation project that receives funds from the Economic Development Incentive Quick Action Closing Fund under § ~~19-5-1231~~ 19-27-287, an indication of whether each project contains a repayment requirement;

(iii)(a) Each project that received funds from the Economic Development Incentive Quick Action Closing Fund under § ~~19-5-1231~~ 19-27-287.

(b) The information reported in subdivision (l)(A)(iii)(a) of this section and any other related information shall be made available to the Office of Economic and Tax Policy upon request;

(iv) The location of each project; and

(v) The specific incentives offered by the commission;

SECTION 147. Arkansas Code § 15-4-315 is amended to read as follows:

15-4-315. Small procurements.

To assist the state in ensuring that the percentages of the total amount expended in state-funded and state-directed public construction programs and procurement of commodities and services for the state each fiscal year under § 15-4-302 are paid to minority business enterprises and women-owned business enterprises under this subchapter, a procurement that does not exceed two (2) times the amount stated in § ~~19-11-204(13)~~ 19-61-501(13) may be procured without seeking competitive bids or competitive sealed bids if the procurement is with a certified minority business enterprise or certified women-owned business enterprise.

SECTION 148. Arkansas Code § 15-4-3003(7), concerning the definitions to be used under the Arkansas General Obligation Economic Development Superprojects Bond and Project Funding Act, is amended to read as follows:

(7) "General revenues" means the revenues described and enumerated in § ~~19-6-201~~ 19-41-201 et seq., or in any successor law;

SECTION 149. Arkansas Code § 15-4-3003(20), concerning the definitions to be used under the Arkansas General Obligation Economic Development Superprojects Bond and Project Funding Act, is amended to read as follows:

(20) "State Apportionment Fund" means the fund by that name created by § ~~19-5-201~~ 19-21-101 or any successor law; and

SECTION 150. Arkansas Code § 15-4-3005(e)(1), concerning the State of Arkansas Economic Development General Obligation Bonds, is amended to read as follows:

(e)(1) Upon receipt of the plan, the Governor shall confer with the Chief Fiscal Officer of the State concerning whether, after utilization of the balance in the Economic Development Superprojects Project Fund, any amount of general revenues will be required to be set aside for payment of debt service requirements in connection with the bonds during either year of the fiscal biennium in which the bonds are to be issued and, if any general funds are required to be used, whether such a use would cause an undue hardship upon any agency or program supported from the general revenues under the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 151. Arkansas Code § 15-4-3202(10), concerning the definitions to be used under the Arkansas Amendment 82 Implementation Act, is amended to read as follows:

(10) "General revenues" means the revenues of the state described and enumerated in § ~~19-6-201~~ 19-41-201 or in any successor law;

SECTION 152. Arkansas Code § 15-4-3203(e), concerning Amendment 82 project qualification, is amended to read as follows:

(e) If the authority's initial assessment is that Amendment 82 bond financing for the proposed project is feasible, the authority shall notify the commission, and the commission shall refer the proposal and the findings of the commission and the authority to the Chief Fiscal Officer of the State for review of the impact of the proposed Amendment 82 bond financing on any agency or program supported from the general revenues under the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 153. Arkansas Code § 15-4-3224(d), concerning the public reporting requirements under the Arkansas Amendment 82 Implementation Act, is amended to read as follows:

(d) While Amendment 82 bonds are outstanding, the Arkansas Development

Finance Authority shall provide a report to the Legislative Council, no less frequently than annually, with respect to the status of the Amendment 82 bonds. The report shall contain the information required by § ~~19-9-502~~ 19-6-502.

SECTION 154. Arkansas Code § 15-4-3609(a), concerning the refundable performance fee under the New Markets Jobs Act of 2013, is amended to read as follows:

(a) A qualified community development entity that seeks to have an equity investment or long-term debt security designated as a qualified equity investment eligible for a tax credit under this subchapter shall pay a fee in the amount one-half of one percent (0.5%) of the amount of the equity investment or long-term debt security requested to be designated as a qualified equity investment to the Arkansas Economic Development Commission for deposit into the New Markets Performance Guarantee Fund, § ~~19-5-1254~~ 19-27-309.

SECTION 155. Arkansas Code § 15-5-905(b), concerning federal grants deposited into the Construction Assistance Revolving Loan Fund, is amended to read as follows:

(b) Notwithstanding the provisions of §§ ~~19-6-108 and 19-6-601~~ 19-40-108 and 19-45-201, grants received by the Treasurer of State from the ~~federal government~~ United States Government for deposit into the fund are declared to be cash funds restricted in their use and dedicated and are to be used solely as authorized in this subchapter.

SECTION 156. Arkansas Code § 15-5-908 is amended to read as follows:

15-5-908. Withholding general revenue turnback.

(a) Should any city, town, county, or political subdivision receiving general revenue turnback funds, as defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., fail, neglect, or refuse to pay any installment of principal, interest, or financing fee for a period of more than ninety (90) calendar days past the due date in accordance with the written instrument for the repayment of its bonds, notes, or other evidences of indebtedness purchased with moneys in the Construction Assistance Revolving Loan Fund Account, the Arkansas Natural Resources Commission, after

notification to the city, town, county, or political subdivision, may certify to the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State the name of the city, town, county, or political subdivision, the amount of deficiencies ninety (90) days or more past due.

(b) Upon certification, the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State are directed to withhold from the city's, town's, county's, or other political subdivision's share of general revenue turnback, as the share is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., the amount certified as due and to transfer the amount to the Construction Assistance Revolving Loan Fund Account and the Construction Assistance Administrative Account as follows:

(1) Amounts withheld as fees shall be transferred to the Construction Assistance Administrative Account; and

(2) Amounts withheld as principal and interest shall be transferred to the Construction Assistance Revolving Loan Fund Account.

SECTION 157. Arkansas Code § 15-5-1507(b), concerning the allocation from the Brownfield Revolving Loan Fund by the Treasurer of State, is amended to read as follows:

(b) Notwithstanding the provisions of §§ ~~19-6-108 and 19-6-601~~ 19-40-108 and 19-45-201, federal or state grants received by the Treasurer of State for purposes authorized under this subchapter are declared to be cash funds to be used solely as authorized under this subchapter.

SECTION 158. Arkansas Code § 15-11-803(e)(2)(A), concerning eligibility for the Arkansas Great Places Program, is amended to read as follows:

(2)(A) Except as provided in subdivision (e)(2)(B) of this section, as a condition of participating in the program, an eligible organization shall pledge matching funds from nongovernmental sources in the following amounts:

(i) An eligible organization located in a county with a population of less than twenty thousand (20,000) residents shall pledge at least ten percent (10%) of the total amount of funding requested from the Arkansas Great Places Program Fund, § ~~19-5-1245~~ 19-27-301;

(ii) An eligible organization located in a county

with a population of at least twenty thousand (20,000) but less than fifty thousand (50,000) residents shall pledge at least twenty percent (20%) of the total amount of funding requested from the fund; and

(iii) An eligible organization located in a county with a population of fifty thousand (50,000) or more residents shall pledge at least thirty percent (30%) of the total amount of funding requested from the fund.

SECTION 159. Arkansas Code § 15-20-208(a), concerning the failure to repay a loan or fee due to the Arkansas Natural Resources Commission, is amended to read as follows:

(a) Should any city, town, county, or political subdivision receiving general revenue turnback funds, as defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., fail, neglect, or refuse to pay for a period of more than ninety (90) days past the due date of any loan payment or fee due the Arkansas Natural Resources Commission, pursuant to:

(1) Any or all of the following statutes:

(A) The Arkansas Waste Disposal and Pollution Abatement Facilities Financing Act of 1987, § 15-22-701 et seq.;

(B) The Arkansas Water Resources Cost Share Finance Act, § 15-22-801 et seq.;

(C) The Arkansas Water Resources Development Act of 1981, § 15-22-601 et seq.;

(D) The Water, Sewer, and Solid Waste Management Systems Finance Act of 1975, § 14-230-101 et seq.; and

(E) The Arkansas Water Development Fund, § 15-22-507;

(2) Rules promulgated or agreements entered pursuant to any of the statutes referred to in subdivision (a)(1) of this section; or

(3) Fail to negotiate repayment of loans made pursuant to the statutes referred to in subdivision (a)(1) of this section,

the commission, after notification to the city, town, county, or political subdivision, may certify that amount of deficiencies to the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State.

SECTION 160. Arkansas Code § 15-20-1302(8), concerning the definitions

to be used under the Arkansas Water, Waste Disposal, and Pollution Abatement Facilities Financing Act of 2007, is amended to read as follows:

(8) "General revenues of the state" means the revenues described and enumerated in § ~~19-6-201~~ 19-41-201 of the Revenue Classification Law, § ~~19-6-101~~ 19-40-101 et seq., or in any successor law;

SECTION 161. Arkansas Code § 15-20-1303(c)(2)(A), concerning the Governor's duties upon receipt of the written plan required to be submitted by the Arkansas Natural Resources Commission before the commission issues bonds, is amended to read as follows:

(A) Confer with the Chief Fiscal Officer of the State concerning whether the annual amount of general revenue funds required to be set aside from the general revenues of the state under the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., for payment of debt service requirements in connection with the bonds during either year of the fiscal biennium in which the bonds are to be issued would require moneys from the general revenues of the state that would work undue hardship upon any agency or program supported from the general revenues of the state under the provisions of the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.; and

SECTION 162. Arkansas Code § 15-21-504(j)(2)(A), concerning the duties, responsibilities, and authority of the Arkansas Geographic Information Systems Board, is amended to read as follows:

(2)(A) Agreements will be interagency service agreements and are exempt from the provisions of the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and rules.

SECTION 163. Arkansas Code § 15-21-506(a), concerning the procurement procedure to be used by the Arkansas Geographic Information Systems Office with respect to procuring services related to framework data, is amended to read as follows:

(a) As used in this section, "technical and general services" means the same as defined in § ~~19-11-203~~ 19-61-103.

SECTION 164. Arkansas Code § 15-22-607(b), concerning bonds issued by

the Arkansas Natural Resources Commission under the Arkansas Water Resources Development Act of 1981, is amended to read as follows:

(b) Upon receipt of the plan, the Governor shall confer with the Chief Fiscal Officer of the State concerning whether the annual amount of general revenue funds required to be set aside from the general revenues, as such a term is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., for payment of debt service requirements in connection with the bonds during either year of the fiscal biennium in which the bonds are to be issued, would require moneys from the general revenues for allocation that would work undue hardship upon any agency or program supported from general revenues under the provisions of the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 165. Arkansas Code § 15-22-615(b), concerning bonds issued under the Arkansas Water Resources Development Act of 1981, is amended to read as follows:

(b) The bonds shall be payable from the general revenues of the state as that term is defined in the Revenue Stabilization Law of Arkansas, § ~~19-5-101~~ 19-20-101 et seq., and the amount of general revenues as is necessary is pledged to the payment of debt service on the bonds, and shall be and remain pledged for those purposes.

SECTION 166. Arkansas Code § 15-22-616(a)(2), concerning the payment of debt service under the Arkansas Water Resources Development Act of 1981, is amended to read as follows:

(2) The Treasurer of State shall make monthly transfers from the State Apportionment Fund to the Water Resources Development Bond Fund to provide for payment of all or part of the debt service on the bonds issued under this subchapter, of that amount of general revenues for allocation, as such a term is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., as shall be required to pay the maturing debt service on bonds issued under this subchapter.

SECTION 167. Arkansas Code § 15-22-707(b), concerning bonds issued under the Arkansas Waste Disposal and Pollution Abatement Facilities Financing Act of 1987, is amended to read as follows:

(b) Upon receipt of the written plan, the Governor shall confer with the Chief Fiscal Officer of the State concerning whether the annual amount of general revenue funds required to be set aside from the general revenues, as that term is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., for payment of debt service requirements in connection with the bonds during either year of the fiscal biennium in which the bonds are to be issued would require moneys from the general revenues for allocation that would work undue hardship upon any agency or program supported from general revenues under the provisions of the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 168. Arkansas Code § 15-22-714(b), concerning bonds issued under the Arkansas Waste Disposal and Pollution Abatement Facilities Financing Act of 1987, is amended to read as follows:

(b) The bonds shall be payable from the general revenues of the state as that term is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., and such amount of general revenues as is necessary is pledged to the payment of debt service on the bonds and shall be and remain pledged for that purpose.

SECTION 169. Arkansas Code § 15-22-715(a)(2), concerning the payment of debt service under the Arkansas Waste Disposal and Pollution Abatement Facilities Financing Act of 1987, is amended to read as follows:

(2) The Treasurer of State shall then make monthly transfers from the State Apportionment Fund to the Waste Disposal and Pollution Abatement Facilities Bond Fund of such amount of general revenues for allocation, as that term is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., as shall be required to pay the maturing debt service on bonds issued under this subchapter.

SECTION 170. Arkansas Code § 15-22-808(a), concerning the Arkansas Water Resources Cost Share Revolving Fund, is amended to read as follows:

(a) The Arkansas Water Resources Cost Share Revolving Fund created under § ~~19-5-1042~~ 19-27-233 is a depository for funds which may be appropriated or otherwise secured for cost-sharing with the ~~federal government~~ United States Government in local water resources development

projects under this subchapter.

SECTION 171. Arkansas Code § 15-22-1108(a), concerning federal grants deposited into the Safe Drinking Water Fund, is amended to read as follows:

(a) Notwithstanding the provisions of §§ ~~19-6-108 and 19-6-601~~ 19-40-108 and 19-45-201, grants to the state received by the Treasurer of State from the ~~federal government~~ United States Government for deposit into the Safe Drinking Water Fund are declared to be cash funds restricted in their use and dedicated to be used solely as authorized in this subchapter.

SECTION 172. Arkansas Code § 15-22-1110 is amended to read as follows:

15-22-1110. Withholding general revenue turnback.

(a) Should any city, town, county, or political subdivision receiving general revenue turnback funds as defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., fail, neglect, or refuse to pay any installment of principal, interest, or financing fee for a period of more than ninety (90) days past the due date in accordance with the written instrument for the repayment of its bonds, notes, or other evidences of indebtedness purchased with moneys in the Drinking Water State Revolving Loan Fund Account, the Arkansas Natural Resources Commission after notification to the city, town, county, or political subdivision may certify to the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State the name of the city, town, county, or political subdivision and the amount of deficiencies ninety (90) days or more past due.

(b) Upon certification, the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State are directed to withhold from the city's, town's, county's, or other political subdivision's share of general revenue turnback as the share is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., the amount so certified as due and to transfer the amount to the Drinking Water State Revolving Loan Fund Account and the Drinking Water State Administrative Account as follows:

(1) Amounts withheld as fees shall be transferred to the Drinking Water State Administrative Account; and

(2) Amounts withheld as principal and interest shall be transferred to the Drinking Water State Revolving Loan Fund Account.

SECTION 173. Arkansas Code § 15-22-1301(1)(D), concerning revenue bonds issued by the Arkansas Natural Resources Commission to provide moneys for certain funds, is amended to read as follows:

(D) Water, Sewer, and Solid Waste Systems Revolving Fund established by § ~~19-5-310~~ 19-22-108; and

SECTION 174. Arkansas Code § 15-22-1313 is amended to read as follows:

15-22-1313. Withholding general revenue turnback.

(a) Should any city, town, county, or political subdivision receiving general revenue turnback funds as defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., fail, neglect, or refuse to pay any installment of principal, interest, or financing fee for a period of more than ninety (90) days past the due date in accordance with the written instrument for the repayment of its bonds, notes, or other evidences of indebtedness purchased by the Arkansas Natural Resources Commission with proceeds of the commission's bonds issued under this subchapter, after notification to the city, town, county, or political subdivision, the commission may certify to the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State the:

(1) Name of the city, town, county, or political subdivision; and

(2) Amount of deficiencies ninety (90) days or more past due.

(b) Upon certification, the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State are directed to withhold from the city's, town's, county's, or other political subdivision's share of general revenue turnback as the share is defined in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., the amount so certified as due the commission and to transfer the amount as directed by the commission for use as provided by law.

SECTION 175. Arkansas Code § 15-31-115 is amended to read as follows:

15-31-115. Classification of revenues.

Income derived from management of state forests by the Arkansas Forestry Commission and income derived from management of state nurseries by the commission shall be classified as special revenues under the Revenue Classification Law, § ~~19-6-101~~ 19-40-101 et seq.

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

moneys shall be in addition to all other sources of funding for the State Crime Laboratory and shall not be used to supplant any other source of funding for the State Crime Laboratory.

SECTION 180. Arkansas Code § 16-10-314(a), concerning support for Arkansas publicly funded law schools, is amended to read as follows:

(a) 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, fifteen dollars ($15.00) of the uniform filing fee collected in circuit court under § 21-6-403(b)(1) shall be deposited as follows:

SECTION 181. Arkansas Code § 16-13-501(b), concerning court reporters as state employees, is amended to read as follows:

(b) The Administrative Office of the Courts may employ or contract with a court reporter previously employed by the state for services provided at any time after his or her separation from state employment, regardless of a limitation otherwise provided under § ~~19-11-709(d)~~ 19-64-206(d).

SECTION 182. Arkansas Code § 16-17-108(a)(50)(D), concerning salaries of personnel and other requirements of Sebastian County District Court, is amended to read as follows:

(D) The Sebastian County District Court Judge – Greenwood District shall be bonded in accordance with §§ ~~19-1-401 – 19-1-403~~ 19-1-301 – 19-1-303;

SECTION 183. Arkansas Code § 16-17-1104(b), concerning the salaries of state district court judges, is amended to read as follows:

(b) The salaries of the state district court judges are uniform and shall be paid with moneys appropriated from the Constitutional Officers Fund, § ~~19-5-205~~ 19-21-105, by the General Assembly.

SECTION 184. Arkansas Code § 17-12-502(h), concerning continuing education requirements for certified public accountants, is amended to read as follows:

(h) The board in its discretion may require licensees to provide evidence of compliance with the requirements of this section and may

investigate licensees to verify compliance with this section. All persons acting on behalf of the board in connection with such investigations shall be considered officers or employees of the State of Arkansas for purposes of:

(1) Immunity from civil liability pursuant to § ~~19-10-301~~ 25-44-301 et seq.; and

(2) Payment of actual damages on behalf of state officers or employees pursuant to § 21-9-201 et seq.

SECTION 185. Arkansas Code § 17-12-507(d), concerning the quality review by the Arkansas State Board of Public Accountancy of each practice unit, is amended to read as follows:

(d) All persons acting on behalf of the board in a quality review program under this section shall be considered officers or employees of the State of Arkansas for purposes of:

(1) Immunity from civil liability pursuant to § ~~19-10-301~~ 25-44-301 et seq.; and

(2) Payment of actual damages on behalf of state officers or employees pursuant to § 21-9-201 et seq.

SECTION 186. Arkansas Code § 17-13-110 is amended to read as follows:

17-13-110. Disposition of fees.

All fees collected by the State Plant Board under this chapter shall be deposited into the State Treasury as special revenues and credited to the State Plant Board Fund.

SECTION 187. Arkansas Code § 17-19-301(e)(3)(B)(ii), concerning the nonrefundable fee collected by sheriffs for the Arkansas Public Defender Commission, is amended to read as follows:

(ii) The Arkansas Public Defender Commission shall remit quarterly to each county treasurer the county's portion of the fee collected under this section using the formula for the County Aid Fund under § ~~19-5-602~~ 19-25-102.

SECTION 188. Arkansas Code § 17-87-808(a), concerning liability under the Alternative to Discipline Act, is amended to read as follows:

(a) A person acting on behalf of the Arkansas State Board of Nursing

in the alternative to discipline program under this section is considered an officer or employee of the State of Arkansas for purposes of:

(1) Immunity from civil liability under § ~~19-10-301~~ 25-44-301 et seq.; and

(2) Payment of actual damages on behalf of state officers or employees under § 21-9-201 et seq.

SECTION 189. Arkansas Code § 17-89-204(c), concerning financial reporting and the disposition of funds by the Arkansas Board of Dispensing Opticians, is amended to read as follows:

(c) There is created the Arkansas Board of Dispensing Opticians Fund on the books of the Treasurer of State. All moneys collected by the board shall be deposited as special revenues to the credit of that fund.

SECTION 190. Arkansas Code § 17-89-205 is amended to read as follows:

17-89-205. Refund to expenditure.

Fines collected by the Arkansas Board of Dispensing Opticians shall be deposited into the Arkansas Board of Dispensing Opticians Fund in the State Treasury as a refund to expenditure for the year in which the deposit is made.

SECTION 191. Arkansas Code § 17-92-707(a), concerning liability under the program for pharmacists impaired by chemical dependency, is amended to read as follows:

(a) All persons acting on behalf of the Arkansas State Board of Pharmacy in the impaired pharmacist program under this section shall be considered officers or employees of the State of Arkansas for purposes of:

(1) Immunity from civil liability pursuant to § ~~19-10-301~~ 25-44-301 et seq.; and

(2) Payment of actual damages on behalf of state officers or employees pursuant to § 21-9-201 et seq.

SECTION 192. Arkansas Code § 20-7-408(a)(2), concerning the disposition of certain fees under the Department of Health Public Health Laboratory Act of 2003, is amended to read as follows:

(2) So long as the loan is outstanding, all moneys in the State

Board of Health Laboratory Revenue Fund shall not be subject to the provisions of §§ ~~19-4-801 – 19-4-803, § 19-4-804 [repealed], § 19-4-805, and § 19-4-806~~ 19-4-801 – 19-4-805 and shall be deposited, handled, and disbursed as set forth in this subchapter.

SECTION 193. Arkansas Code § 20-7-410(b), concerning the investment of funds under the Department of Health Public Health Laboratory Act of 2003, is amended to read as follows:

(b) All moneys held in the State Board of Health Laboratory Revenue Loan Fund shall be invested and reinvested to the extent feasible, as directed by the Arkansas Development Finance Authority, in securities which are eligible for the securing of public deposits under § ~~19-8-203~~ 19-5-203, subject in all cases to the term of the loan and of bonds issued by the authority.

SECTION 194. Arkansas Code § 20-8-302(a), concerning the use of funds under the Great Strides Grant Program, is amended to read as follows:

(a) The Department of Health shall use funds from the Tobacco Settlement Proceeds Act, § ~~19-12-101~~ 19-90-101 et seq., to establish the Great Strides Grant Program.

SECTION 195. Arkansas Code § 20-8-1002(a)(2)(A), concerning the administration of the Life Choices Lifeline Program, is amended to read as follows:

(2)(A) The procurement of one (1) or more vendors to serve as organizations shall be done through the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., by the Office of State Procurement.

SECTION 196. Arkansas Code § 20-8-1003(a)(3), concerning the Continuum of Care Program, is amended to read as follows:

(3) The procurement of a vendor shall be done through the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., by the Office of State Procurement.

SECTION 197. Arkansas Code § 20-16-2405(a)(1), concerning the duties of the Department of Human Services upon the effective date of the section

under the Every Mom Matters Act, is amended to read as follows:

(l)(A) Contract with a number of agencies sufficient to ensure that each pregnant woman seeking an abortion in Arkansas receives a resource access assistance offer and has the opportunity to receive care plan coordination services and healthy pregnancy program services.

(B) The procurement of a vendor to serve as an agency shall be done through the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., by the Office of State Procurement;

SECTION 198. Arkansas Code § 20-20-225 is amended to read as follows:

20-20-225. Disposition of funds.

All moneys received by the State Plant Board under the provisions of this subchapter and the rules adopted pursuant to this subchapter shall be deposited into the State Plant Board Fund of the State Treasury and be used for carrying out the provisions of this subchapter.

SECTION 199. Arkansas Code § 20-29-103(e)(2), concerning the disposition of funds under the Arkansas Manufactured Home Recovery Act, is amended to read as follows:

(2) For the purposes of investment, moneys invested and interest earned thereon shall be administered as trust funds pursuant to the State Treasury Management Law, § ~~19-3-501~~ 19-3-301 et seq.

SECTION 200. Arkansas Code § 20-45-202(a), concerning the duty of a mental health services provider to take precautions against threatened patient violence, is amended to read as follows:

(a) A mental health services provider, hospital, facility, community mental health center, or clinic is not subject to liability, suit, or a claim under § ~~19-10-204~~ 25-44-204 on grounds that a mental health services provider did not prevent harm to an individual or to property caused by a patient if:

(1) The patient communicates to the mental health services provider an explicit and imminent threat to kill or seriously injure a clearly or reasonably identifiable potential victim or to commit a specific violent act or to destroy property under circumstances that could easily lead to serious personal injury or death and the patient has an apparent intent and ability to carry out the threat; and

(2) The mental health services provider takes the precautions specified in subsection (b) of this section in an attempt to prevent the threatened harm.

SECTION 201. Arkansas Code § 20-45-202(d), concerning the duty of a mental health services provider to take precautions against threatened patient violence, is amended to read as follows:

(d) A mental health services provider, hospital, facility, community mental health center, or clinic is not subject to liability, suit, or claim under § ~~19-10-204~~ 25-44-204 for disclosing a confidential communication made by or relating to a patient if the patient has explicitly threatened to cause serious harm to an individual or to property under circumstances that could easily lead to serious personal injury or death or if the provider has a reasonable belief that the patient poses a credible threat of serious harm to an individual or to property.

SECTION 202. Arkansas Code § 20-46-302(c)(2), concerning the powers of the Department of Human Services with respect to the regulation of community mental health centers, is amended to read as follows:

(2) The restrictions of the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.; the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq.; the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.; and other fiscal control laws of the state, where applicable, and rules promulgated by the Department of Finance and Administration, as authorized by law, shall be strictly complied with in disbursement of the funds.

SECTION 203. Arkansas Code § 20-61-101(d)(4)(C), concerning the prohibition on the sale of foreign fish, is amended to read as follows:

(C) Any civil penalty collected under this section shall be transmitted to the State Plant Board Fund.

SECTION 204. Arkansas Code § 20-61-203(a)(5)(C), concerning penalties and injunctive relief under the Arkansas Catfish Marketing Act of 1975, is amended to read as follows:

(C) Any civil penalty collected under this section shall be transmitted to the State Plant Board Fund.

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

State shall loan the necessary amount to the appropriate fund accounts within the Department of Human Services from the Budget Stabilization Trust Fund.

(2) However, the balance of any loans made under subdivision (c)(1) of this section during the course of a fiscal year shall be recovered by the department and repaid to the fund by June 30 of that fiscal year.

20-76-902. Minimum program standards.

(a) In order to unify and consolidate standards for services of clients under programs funded by Title XX Social Security funds, the Secretary of the Department of Human Services shall establish, by July 1, 1980, minimum program standards for the services provided by all government or private agencies under Title XX.

(b) In developing these standards, the secretary will consult with such other agencies, organizations, or individuals as may be appropriate.

(c) These standards may be amended by the secretary from time to time, provided that the terms of the Arkansas Administrative Procedure Act, § 25-15-201 et seq., are complied with.

20-76-903. Loan provision.

(a) It is found and determined that the continued operations of the Title XX Services Program of the Department of Human Services, in accordance with the approved annual operations plan, are, from time to time, seriously impaired by either administrative oversights and delays by the United States Office of Grants Management or by the processes of federal fiscal year conversion. It is further found and determined that such delays in the proper preparation and transmittal of federal grant award authorizations and letter of credit instruments have created unnecessary hardships on the providers of services and the needy citizens of this state. Therefore, upon certification of the pending availability of federal funding by the Secretary of the Department of Human Services, the Chief Fiscal Officer of the State may grant temporary advances, the maximum amount not to exceed five million dollars ($5,000,000), from the Budget Stabilization Trust Fund to the appropriate account of the Department of Human Services so affected by such delays.

(b) The Chief Fiscal Officer of the State shall recover within a period of twenty (20) days such temporary advances upon receipt of the grant award authorizations or letter of credit instruments.

20-76-904. Deduction of tax withholding for individual contract providers.

(a) It is found and determined that certain rules and regulations of the Social Security Administration and the Internal Revenue Service require the deduction of Federal Insurance Contributions Act and federal income tax withholding from persons providing services under individual purchase-of-service contracts, who are in fact independent contractors, or employees of the person receiving the service, and that there is presently no provision for payment of Federal Insurance Contributions Act and federal income tax withholding for these individuals. It is further found and determined that the use of individual contracts is necessary to the operation of the Title XIX and Title XX programs, particularly in the areas of day care and services to the elderly. Therefore, whenever the regulations of the Social Security Administration or the Internal Revenue Service require the deduction of Federal Insurance Contributions Act or federal income tax withholding for an individual providing services under a Title XX individual purchase-of-service contract, the Department of Human Services may pay the necessary Federal Insurance Contributions Act tax out of federal funds and state or local donated matching funds and may collect the necessary Federal Insurance Contributions Act and federal income tax withholding as agent for the client receiving the services.

(b) Individuals for whom Federal Insurance Contributions Act tax is paid and Federal Insurance Contributions Act and federal income tax withholding is deducted under this section shall not be considered as employees of the state for the purposes of determining eligibility for unemployment compensation or workers' compensation, for the purpose of state income tax withholding, or for any other purposes.

20-76-905. Use of funds.

The Secretary of the Department of Human Services is authorized to use funds earned through service fees, audit settlements, or federal program settlements for operation of the Title XX service program. Any unanticipated federal funding received under this provision will be handled in accordance with the terms of the Miscellaneous Federal Grant Act, § 19-7-301 et seq.

20-76-906. Transfer of funds and appropriations.

(a)(1) The Secretary of the Department of Human Services, in accordance with rules established by the Chief Fiscal Officer of the State, shall have the authority to transfer funds and appropriations from the appropriate division of the Department of Human Services to the various agencies of the department which receive allotments of Title XX funds. These transfers shall be limited to the allotment of funds available to each agency within the department.

(2)(A) In the event that funds and appropriations transferred under this section are not fully utilized, they will be available for transfer back to the appropriate division of the department for reallocation.

(B) It is further intended that if transfer of appropriations among line items appropriated to the appropriate division of the department becomes necessary for effective operation of the program, these shall be made in accordance with rules established by the Chief Fiscal Officer of the State. However, no such transfer will be used to increase authorization for regular salaries.

(b) The Chief Fiscal Officer of the State and the secretary shall cooperate to establish such fund accounts for deposit and disbursement of federal and local Title XX funds as are necessary for the orderly operation of a Title XX services program. The Chief Fiscal Officer of the State and the secretary shall establish procedures for the transfers of funds necessary to make reimbursement to providers or to agency fund accounts in payment for eligible services. These procedures will include provision for use of state matching funds where appropriated by law.

20-76-907. Transfer of retirement benefits.

Any employee who is now a member of any retirement system shall not lose any retirement benefits accrued in the system by the reorganization of the Title XX service program. An employee so affected shall have the option of continuing as a member of the retirement system of which the employee is a member at the time of transfer or to join the retirement system for which the transfer makes the employee eligible. However, the affected employee shall make his or her election within six (6) months from the date of transfer.

20-76-908. Personnel transfers.

No employee transferred as a result of the reorganization of the Office of Title XX Services shall lose status under the Arkansas Rules for Merit Systems Administration as a result of transfer.

SECTION 207. Arkansas Code § 20-78-504(a)(1), concerning moneys for the Arkansas Child Care Facilities Loan Guarantee Trust Fund, is amended to read as follows:

(a)(1) After providing for the exclusion of the interest income classified as special revenues as authorized by §§ 15-41-110 and 27-70-204, and for the first two million dollars ($2,000,000) of interest income received each fiscal year by the Treasurer of State as authorized in § 15-5-422, the next one hundred thousand dollars ($100,000) of interest income received each fiscal year in the State Treasury beginning with the fiscal year commencing July 1, 1989, and continuing as set forth in subsection (b) of this section from the investment of state funds as authorized by the State Treasury Management Law, § ~~19-3-501~~ 19-3-301 et seq., is declared to constitute cash funds restricted in their use and dedicated to be used solely as authorized in § 20-78-503.

SECTION 208. Arkansas Code § 21-1-402(a)(2)(B), concerning restrictions on other employment by constitutional officers, is amended to read as follows:

(B) Employment under this subdivision (a)(2) shall not be approved if the employment will violate §§ ~~19-11-701 — 19-11-709~~ 19-64-101 — 19-64-103 and §§ 19-64-201 — 19-64-206.

SECTION 209. Arkansas Code § 21-1-403(c), concerning restrictions on lease agreements, contracts, and grants by constitutional officers, is amended to read as follows:

(c)(1) Constitutional officers shall not enter into professional and consultant services contracts with state agencies subject to §§ ~~19-11-1001 — 19-11-1011~~ 19-67-101 — 19-67-104 and §§ 19-67-201 — 19-67-205.

(2) Any professional and consultant services contracts obtained by constitutional officers or their spouses with any state agency exempt from §§ ~~19-11-1001 — 19-11-1011~~ 19-67-101 — 19-67-104 and §§ 19-67-201 — 19-67-205 must receive prior review of the Joint Budget Committee during legislative

sessions and the Legislative Council between legislative sessions.

SECTION 210. Arkansas Code § 21-1-610(e)(1), concerning the reward to a state employee when communication of waste or violation results in the savings of state funds, is amended to read as follows:

(e)(1) A state employee may appeal to the Arkansas State Claims Commission in the same manner for filing a claim under § ~~19-10-208~~ 25-44-208 if the state employee believes that:

(A) A report under subdivision (d)(2)(A) of this section does not accurately reflect the savings attributable to the changes made based on the communication under § 21-1-603; or

(B) The state employer did not accurately assess the determination of a reward under this section, including without limitation denying a reward to the state employee.

SECTION 211. Arkansas Code § 21-2-711(c)(1)(C), concerning the Self-Insured Fidelity Bond Trust Fund, is amended to read as follows:

(C) For the purposes of investment, fund moneys invested and interest earned on fund moneys invested shall be administered as trust funds under § ~~19-3-518~~ 19-3-318.

SECTION 212. Arkansas Code § 21-5-224(a)(3), concerning extra help positions under the Uniform Classification and Compensation Act, is amended to read as follows:

(3) Extra help employees of state agencies shall not exceed one thousand five hundred (1,500) hours per fiscal year as set out in § ~~19-4-521~~ 19-4-512.

SECTION 213. Arkansas Code § 21-5-404(10)(A), concerning the powers, functions, and duties of the State Board of Finance, is amended to read as follows:

(10)(A) To direct the office to contract with qualified vendors, as defined by the board, offering the plan options under the program as prescribed by the board without regard to § ~~19-11-228~~ 19-61-502 or other statutes requiring competitive bidding.

SECTION 214. Arkansas Code § 21-5-423(a)(2), concerning the Public School Employee Health Benefit Advisory Commission, is amended to read as follows:

(2) An appointee under this section who has a conflict of interest as described in § ~~19-11-718~~ 19-64-503 is disqualified from serving on the commission.

SECTION 215. Arkansas Code § 21-5-424(a)(2), concerning the State Employee Health Benefit Advisory Commission, is amended to read as follows:

(2) An appointee under this section who has a conflict of interest as described in § ~~19-11-718~~ 19-64-503 is disqualified from serving on the commission.

SECTION 216. Arkansas Code § 21-5-704(b)(2)(A), concerning the payment of a claim to covered public employees, their designated beneficiaries, or their survivors, is amended to read as follows:

(2)(A) Except as provided in subdivision (b)(2)(B) of this section, the funds shall not be reimbursed by transfer or charging the funds against any state funds allocated for turnback to cities or counties or distributed to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund or distributed to any Division of Correction fund account or any other state department agency fund account other than the Arkansas State Claims Commission fund accounts and the Miscellaneous Revolving Fund or state funds levied for firefighters, police officers, employees of the Arkansas Department of Transportation, and employees of the Division of Correction for pension purposes.

SECTION 217. Arkansas Code § 21-6-302(b), concerning county treasurers, is amended to read as follows:

(b) Unless otherwise provided under subdivision (f)(1) of this section or subsection (g) of this section or under § 6-13-701, § 6-17-908, § 6-20-221, § 8-15-111, § 14-90-913, § 14-174-109, § 14-284-403, or § ~~19-5-1096~~ 19-27-268, the county treasurers shall collect, as a treasurer's commission, two percent (2%) on all funds coming into their hands as treasurers and to be paid out of the respective funds.

SECTION 218. Arkansas Code § 22-1-101(a)(1), concerning the definitions used in relation to the sale of surplus commodities to not-for-profit organizations, is amended to read as follows:

(1) "Commodities" means commodities under § ~~19-11-203~~ 19-61-103; and

SECTION 219. Arkansas Code § 22-2-115(c), concerning lease-purchase agreements under the Building Authority Division Act, is amended to read as follows:

(c) The General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., and other applicable fiscal laws of this state shall be strictly complied with regarding this section.

SECTION 220. Arkansas Code § 22-3-1212(a)(1), concerning certificates of indebtedness under the Public Facilities Finance Act of 1983, is amended to read as follows:

(a)(1) The state funds which may be used by the State Board of Finance in making the purchases of the certificates of indebtedness are those specifically referred to under the provisions of the State Treasury Management Law, § ~~19-3-501~~ 19-3-301 et seq.

SECTION 221. Arkansas Code § 22-3-1225(b)(1), concerning the Prison Construction Trust Fund, is amended to read as follows:

(b)(1) The Arkansas Development Finance Authority shall pay from the Prison Construction Trust Fund into the Public Facilities Debt Service Fund created by §§ ~~19-5-932~~ 19-26-224 and 22-3-1210 the amount necessary, when added to other funds listed in § 22-3-1210, to pay the next-succeeding principal and interest payment for the certificates of indebtedness, but not to exceed twenty-five cents (25¢) times the number of annual license plate validation decals sold by the Department of Finance and Administration in each six-month period.

SECTION 222. Arkansas Code § 22-5-101(e), concerning the program for growing pine on highway rights-of-way and the disposition of the proceeds, is

amended to read as follows:

(e) When a program authorized by this section is initiated, the net proceeds derived from the sale of pine grown on the state highway rights-of-way or other highway-related areas owned by the state or the department shall be deposited into the State Treasury as special revenues. Fifty percent (50%) thereof shall be credited to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund, and fifty percent (50%) thereof shall be credited to the State Forestry Fund.

SECTION 223. Arkansas Code § 22-6-601(j), concerning the sale procedure for the sale of state lands, is amended to read as follows:

(j) Upon receipt thereof, the proceeds of the sale, including any liquidated damages, shall be deposited into the State Treasury, as a nonrevenue receipt, to the credit of the fund from which the state agency is operated. Any unexpended balance of such proceeds remaining at the end of each fiscal year as certified to the Chief Fiscal Officer of the State by the state agency director may be carried forward until the end of the biennium following the biennium in which collected, after which any remaining balances shall be subject to § ~~19-5-1004~~ 19-27-204.

SECTION 224. Arkansas Code § 22-8-102(a)(3), concerning the definitions used in relation to the leasing and renting of vehicles by state agencies, is amended to read as follows:

(3) "State agency" means the same as defined in § ~~19-11-203~~ 19-61-103.

SECTION 225. Arkansas Code § 22-8-102(e), concerning the leasing and renting of vehicles by state agencies, is amended to read as follows:

(e) It is a violation of state procurement laws, Arkansas Code Title 19, ~~Chapter 11~~ Subtitle 4, for a state agency official to conduct multiple rentals of a motor vehicle to avoid the approval and review requirements of this section.

SECTION 226. Arkansas Code § 22-8-203(5), concerning the definitions used under the Automobile and Pickup Truck Acquisition Act for the State of Arkansas, is amended to read as follows:

(5) "State agency" means a state agency, board, commission, department, or institution of higher education which derives any financial support from the fund accounts enumerated in §§ ~~19-5-302 – 19-5-304, 19-5-306, 19-5-307, 19-5-1011, 19-6-404, 19-6-411~~ 19-22-102 – 19-22-104, 19-22-106, 19-22-107, 19-27-211, 19-43-203, 19-43-210, and 25-4-117;

SECTION 227. Arkansas Code § 22-8-206(c)(1), concerning the purchase of automobiles under the Automobile and Pickup Truck Acquisition Act for the State of Arkansas, is amended to read as follows:

(c)(1) The Motor Vehicle Acquisition Revolving Fund shall be financed by its proportionate share of moneys made available from:

(A) The allocation of general revenues as authorized by the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.;

(B) Moneys made available upon the disposal of used vehicles, which moneys shall be deposited to the credit of the Motor Vehicle Acquisition Revolving Fund rather than being deposited to the owning state agency's fund;

(C) Deposits of moneys from benefitting state agencies; and

(D) Transfers from other State Treasury funds and fund accounts of benefitting state agencies.

SECTION 228. Arkansas Code § 22-8-207 is amended to read as follows:

22-8-207. Purchase from qualified vendors.

The Secretary of the Department of Finance and Administration shall have the authority to purchase new or used vehicles from qualified vendors in accordance with the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.

SECTION 229. Arkansas Code § 22-8-210(a), concerning motor vehicle renovation under the Automobile and Pickup Truck Acquisition Act for the State of Arkansas, is amended to read as follows:

(a) Funds deposited into the Motor Vehicle Acquisition Revolving Fund created by § ~~19-5-1002(a)~~ 19-27-202 and § 22-8-206(b), which may be made available for the purchase of motor vehicles for the Division of Arkansas State Police, may in addition be made available and used for expenses associated with the renovation of state police motor vehicles.

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;

(2) Competitive bidding shall not be used; and

(3) The responsible public entity shall follow the procedure established for the selection of a qualified respondent in the rules promulgated under this chapter.

SECTION 235. Arkansas Code § 22-10-501(b)(2), concerning review and approval of projects under the Partnership for Public Facilities and Infrastructure Act, is amended to read as follows:

(2) Before execution of a comprehensive agreement, the responsible public entity shall:

(A) Conduct a public hearing in accordance with the requirements of § ~~19-9-607~~ 19-6-607;

(B) Satisfy any requirements established by the rules promulgated under this chapter; and

(C) After conducting a public hearing under subdivision (b)(2)(A) of this section and receiving approval of the proposed comprehensive agreement under subdivision (b)(1)(B) of this section, authorize the execution of the comprehensive agreement by order, ordinance, or resolution at a public meeting that complies with § 25-19-106.

SECTION 236. Arkansas Code § 23-1-103(b)(4), concerning compliance with Acts 1935, No. 324, and rules of Arkansas Public Service Commission and penalties for noncompliance, is amended to read as follows:

(4) The proceeds from the civil sanctions imposed under this subsection shall be deposited into the State Treasury as special revenues and credited to the Arkansas Public Service Commission Fund.

SECTION 237. Arkansas Code § 23-1-114(c), concerning civil sanctions for violation of Acts 1919, No. 571, and Acts 1921, No. 124, is amended to read as follows:

(c) The proceeds from the civil sanctions imposed under this section shall be deposited into the State Treasury as special revenues and credited to the Arkansas Public Service Commission Fund.

SECTION 238. Arkansas Code § 23-4-202(c)(4), concerning rate schedules for water, gas, or electricity, is amended to read as follows:

(4) The proceeds from the civil sanctions imposed under this section shall be deposited into the State Treasury as special revenues and credited to the Arkansas Public Service Commission Fund.

SECTION 239. Arkansas Code § 23-4-203(b)(4), concerning water, gas, or electricity utility bills, is amended to read as follows:

(4) The proceeds from the civil sanctions imposed under this section shall be deposited into the State Treasury as special revenues and credited to the Arkansas Public Service Commission Fund.

SECTION 240. Arkansas Code § 23-12-1005(b), concerning action on a complaint for inadequate action or unreasonable refusal under the Railroad Safety and Regulatory Act of 1993, is amended to read as follows:

(b)(1) If the state owns the highway where the questioned crossing is located, all moneys recovered under the provisions of this section shall be placed into the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

(2) All other moneys recovered under this section shall be divided equally between the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund and the general, road, or highway fund of the county or municipality which owns the highway, road, or street where the questioned crossing is located.

SECTION 241. Arkansas Code § 23-12-1008(c), concerning action on a complaint for unlawful delay under the Railroad Safety and Regulatory Act of 1993, is amended to read as follows:

(c)(1) If the crossing where a violation occurs is located within the boundaries of a city or town, one-half (½) of the moneys recovered under the provisions of this section and §§ 23-12-1006 and 23-12-1007 shall be placed in the general fund or street fund of the municipality and one-half (½) of the funds shall be placed in the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

(2) All other moneys recovered under the provisions of this section shall be divided equally between the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund and the general road fund of the county in which the violation occurred.

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:

23-15-216. Disposition of funds.

On receipt of the fees, charges, and penalties provided for in this subchapter, the secretary of the Arkansas Public Service Commission shall pay the fees, charges, and penalties into the State Treasury. The amounts received by the Treasurer of State shall be credited by him or her as special revenues and designated as the "Arkansas Public Service Commission Utility Safety Fund", which will be a separate fund account established by the Treasurer of State.

SECTION 246. Arkansas Code § 23-16-105(c), concerning the statement of fees due from rail carriers and related charges and penalties, is amended to read as follows:

(c) On receipt of the fees and charges provided for in this subchapter, the department shall deposit the fees and charges with the Treasurer of State, and the amount so received by the Treasurer of State shall be classified by the Treasurer of State as special revenues and transferred, by the Treasurer of State on the last business day of the month such amounts are deposited, to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund, there, notwithstanding the provisions of any law to the contrary, to be utilized by the department for the purposes of administering the laws of this state which the State Highway Commission and the department are responsible for administering with regard to rail carriers and for the construction, reconstruction, and maintenance of highways and bridges in the state highway system.

SECTION 247. Arkansas Code § 23-18-1205(a)(2), concerning the Rural Broadband I.D. Expenses Trust Fund Grant Program, is amended to read as follows:

(2) The investment of funds under this section is exempt from § ~~19-3-518(a)(2)(B)(i)(b) and (c)~~ 19-3-318(a)(2)(B)(i)(b) and (c).

SECTION 248. Arkansas Code § 23-18-1205(b), concerning the Rural Broadband I.D. Expenses Trust Fund Grant Program, is amended to read as follows:

(b) Moneys in the Rural Broadband I.D. Expenses Trust Fund may be invested in any instrument that is:

(1) Listed in § ~~19-3-518(b)(1)(B)~~ 19-3-318(b)(1)(B); and

(2) Approved under the guidelines established by the State Treasury investment policy approved by the State Board of Finance.

SECTION 249. Arkansas Code § 23-42-211(a), concerning the disposition of fees under the Arkansas Securities Act, is amended to read as follows:

(a)(1) There is created on the books of the Chief Fiscal Officer of the State, the Auditor of State, and the Treasurer of State a fund to be known as the "State Securities Department Fund".

(2) The State Securities Department Fund shall be used for the maintenance, operation, support, and improvement of the State Securities Department in carrying out its functions, powers, and duties as set out by law and by rule not inconsistent with law.

(3) The State Securities Department Fund shall consist of those portions of fees designated for deposit into the State Securities Department Fund under § 23-42-304(a)(2), (a)(4), and (a)(5), § 23-42-404(b)(1), and § 23-42-509(a).

(4) Notwithstanding subdivision (a)(3) of this section, at the end of each fiscal year, the Securities Commissioner shall transfer into the General Revenue Fund Account of the State Apportionment Fund any moneys in the State Securities Department Fund that exceed the amount of the department's next fiscal-year budget.

SECTION 250. Arkansas Code § 23-42-304(a), concerning filing fees under the Arkansas Securities Act, is amended to read as follows:

(a) Every applicant for initial or renewal registration, every person making a notice filing as required by § 23-42-301, every exempt reporting adviser, and every investment adviser to a private fund shall pay a filing fee of:

(1) Three hundred dollars ($300) in the case of a broker-dealer;

(2) Seventy-five dollars ($75.00) in the case of an agent, of which twenty-five dollars ($25.00) shall be designated as special revenues and shall be deposited into the State Securities Department Fund;

(3) Three hundred dollars ($300) in the case of an investment adviser;

(4) Seventy-five dollars ($75.00) in the case of a

representative, of which twenty-five dollars ($25.00) shall be designated as special revenues and shall be deposited into the State Securities Department Fund;

(5) Fifty dollars ($50.00) in the case of a branch office, of which the entire amount shall be designated as special revenues and deposited into the State Securities Department Fund; and

(6) Three hundred dollars ($300) in the case of an exempt reporting adviser or investment adviser to a private fund that complies with exemption requirements.

SECTION 251. Arkansas Code § 23-42-404(b)(1), concerning registration statements under the Arkansas Securities Act, is amended to read as follows:

(b)(1) Every person filing a registration statement shall pay a filing fee of one-tenth percent (0.1%) of the maximum aggregate offering price at which the registered securities are to be offered in this state, but the fee shall in no case be less than one hundred fifty dollars ($150) nor more than two thousand dollars ($2,000). Any portion of the fee in excess of one thousand dollars ($1,000) shall be designated as special revenues and shall be deposited into the State Securities Department Fund. When a registration statement is withdrawn before the effective date or a preeffective stop order is entered under § 23-42-405, the Securities Commissioner shall retain one hundred fifty dollars ($150) of the filing fee.

SECTION 252. Arkansas Code § 23-42-509(a)(1)(A), concerning information required to be in a notice filing for a covered security under the Arkansas Securities Act, is amended to read as follows:

(1)(A) Prior to the initial offering of such a covered security in this state, all documents that are part of a current federal registration statement filed with the United States Securities and Exchange Commission under the Securities Act of 1933, together with a consent to service of process signed by the issuer and with a fee in the amount of one-tenth percent (0.1%) of the maximum aggregate offering price at which the covered securities are to be offered in this state, but the fee shall in no case be less than one hundred fifty dollars ($150) nor more than two thousand dollars ($2,000). Any portion of the fee in excess of one thousand dollars ($1,000) shall be designated as special revenues and shall be deposited into the State

Securities Department Fund. When a notice filing is withdrawn before the effective date, the commissioner shall retain one hundred fifty dollars ($150) of the filing fee.

SECTION 253. Arkansas Code § 23-46-209(b), concerning the disposition of funds collected by the State Bank Department, is amended to read as follows:

(b) All fees and other revenues received by the department shall be deposited into the State Treasury as special revenues and credited to the State Bank Department Fund to be used solely for the payment of the expenses of the department pursuant to the appropriations therefor.

SECTION 254. Arkansas Code § 23-48-907(d), concerning examinations, periodic reports, cooperative agreements, and fees related to interstate bank mergers and branching, is amended to read as follows:

(d) The commissioner may enter into contracts with any bank supervisory agency that has concurrent jurisdiction over a state bank or an out-of-state state-chartered bank operating a branch in this state pursuant to this subchapter to engage the services of the agency's examiners at a reasonable rate of compensation, or to provide the services of the commissioner's examiners to the agency at a reasonable rate of compensation. Any such contract shall be deemed a sole source contract under § ~~19-11-232~~ 19-61-507.

SECTION 255. Arkansas Code § 23-51-181(d), concerning examinations, periodic reports, cooperative agreements, and the assessment of fees under the Arkansas Trust Institutions Act, is amended to read as follows:

(d) The commissioner may enter into contracts with any bank supervisory agency that has concurrent jurisdiction over a state trust institution or an out-of-state trust institution maintaining an office in this state to engage the services of the agency's examiners at a reasonable rate of compensation, or to provide the services of the commissioner's examiners to the agency at a reasonable rate of compensation. Any such contract shall be deemed a sole source contract under § ~~19-11-232~~ 19-61-507.

SECTION 256. Arkansas Code § 23-61-606(a), concerning the procurement

of insurance or surety bonding, is amended to read as follows:

(a) The State Procurement Director shall procure insurance or surety bonding in accordance with the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., unless the risk manager determines that it is in the best interest of the state for the director to procure insurance or surety bonding by negotiation, or for any state agency to procure all or part of its own insurance or surety bonding.

SECTION 257. Arkansas Code § 23-79-504(b)(2), concerning the Arkansas Comprehensive Health Insurance Pool, is amended to read as follows:

(2) Except to the extent defined in this subchapter, the pool will be exempt from:

(A) All state, county, and local taxes;

(B) The Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.;

(C) The Freedom of Information Act of 1967, § 25-19-101 et seq.; and

(D) The Arkansas Administrative Procedure Act, § 25-15-201 et seq.

SECTION 258. Arkansas Code § 23-102-104(b), concerning the establishment of the Arkansas Earthquake Authority, is amended to read as follows:

(b) The authority shall be exempt from all state, county, and local taxes, including insurance premium taxes, the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and the Arkansas Administrative Procedure Act, § 25-15-201 et seq., except to the extent defined in this chapter.

SECTION 259. Arkansas Code § 23-110-104(b), concerning the disposition of license fees and fines under the Arkansas Horse Racing Law, is amended to read as follows:

(b) The Treasurer of State shall allocate and transfer the general revenues referred to in subsection (a) of this section 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 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

section, appeals of claims in contract or in tort against the office or its employees shall be conducted by the commission in the same manner as a claim under § ~~19-10-201~~ 25-44-201 et seq.

(B) The commission shall consider an appeal de novo.

(2) A decision of the commission relating to a claim in contract or in tort against the office or its employees shall not be appealed to the General Assembly.

(3)(A) A valid claim in any amount against the office shall not be referred to the General Assembly for an appropriation.

(B) The Clerk of the Arkansas State Claims Commission shall notify the office of the amount of the valid claim.

(C) Upon receipt of notification from the clerk, the office shall deliver a check to the clerk, who shall deposit the sum as a nonrevenue receipt into the Miscellaneous Revolving Fund from which he or she shall disburse the amount of the claim to the claimant.

(4) Written reports under § ~~19-10-212~~ 25-44-212 shall be filed with the Legislative Council.

SECTION 264. Arkansas Code § 23-115-211(1)-(3), concerning the provisions of the law that are inapplicable to the Office of the Arkansas Lottery under the Arkansas Scholarship Lottery Act, are amended to read as follows:

(1) Section ~~19-1-301 et seq.~~ 14-1-111;

(2) Section ~~19-4-1802~~ 19-4-1702;

(3) Section ~~19-5-206~~ 19-21-106;

SECTION 265. Arkansas Code § 23-115-303(d)(2), concerning prohibitions on employees of the Office of the Arkansas Lottery, is amended to read as follows:

(2)(A) Subdivision (d)(1) of this section is supplemental to § ~~19-11-701~~ 19-64-101 et seq.

(B) If any provision of § ~~19-11-701~~ 19-64-101 et seq. would impose a restriction on a specific employee greater than the restrictions under subdivision (d)(1) of this section, the provision of § ~~19-11-701~~ 19-64-101 et seq. shall apply.

SECTION 266. Arkansas Code § 23-115-701(b), concerning procurements by the Office of the Arkansas Lottery, is amended to read as follows:

(b) Except as provided in subsections (c) and (d) of this section, the office shall comply with the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.

SECTION 267. Arkansas Code § 23-115-1101(c)(1), concerning the duties of the Legislative Council under the Arkansas Scholarship Lottery Act, is amended to read as follows:

(c)(1) During a regular, fiscal, or extraordinary session of the General Assembly, the Joint Budget Committee shall perform the functions assigned to the Legislative Council under:

(A) This chapter;

(B) Section 6-60-902;

(C) Section 6-60-903;

(D) Section 6-85-205;

(E) Section 6-85-212;

(F) Section 6-85-216;

(G) Section 6-85-219;

(H) Section 6-85-220; and

(I) Section ~~19-10-212~~ 25-44-212.

SECTION 268. Arkansas Code § 24-2-618(f)(1), concerning the delegation of investment and management functions by trustees of state retirement systems, is amended to read as follows:

(f)(1) Notwithstanding the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., the boards of trustees of the respective state retirement systems shall promptly implement their investment directives consistent with the duty of care required of a fiduciary under the prudent investor rules in this chapter.

SECTION 269. Arkansas Code § 24-2-618(g)(1), concerning the delegation of investment and management functions by trustees of state retirement systems, is amended to read as follows:

(g)(1) The length of a contract or other investment agreement and any renewal or extension of the contract or other investment agreement may be

agreed upon by a state retirement system and the other party to the contract or other investment agreement and is exempt from the mandatory expiration provisions under the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., if the contract or other investment agreement is procured under the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and the purpose of the contract or other investment agreement is to:

(A) Invest and manage a system's trust assets under § 24-2-610;

(B) Provide actuarial services to determine the liabilities and financial status of a state retirement plan;

(C) Retain custody of a system's trust assets; or

(D) Protect and recover trust assets of a system.

SECTION 270. Arkansas Code § 24-2-618(g)(3) and (4), concerning the delegation of investment and management functions by trustees of state retirement systems, are amended to read as follows:

(3) The board of trustees of a state retirement system shall submit information requested by the Legislative Council concerning a contract or other investment agreement procured under the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.

(4) A partial equity ownership agreement between a state retirement system and another party shall be reviewed under § ~~19-11-1301~~ 19-69-101 et seq.

SECTION 271. Arkansas Code § 24-4-202(e)(4), concerning the Arkansas Public Employees' Retirement System Fund, is amended to read as follows:

(4) If the interest penalty or delinquent moneys are not received by the system by the last business day of the month in which the moneys were originally due, then the system shall cause the sums of moneys, including interest, to be transferred from any moneys due the participating public employer from the office of the Treasurer of State or the Department of Education as approved in § ~~19-5-106(a)(5)~~ 19-20-106(a)(4).

SECTION 272. Arkansas Code § 24-4-202(f)(3), concerning the penalty for a participating public employer failing to file with the Arkansas Public Employees' Retirement System, is amended to read as follows:

(3) If the penalty is not received by the last business day of the month in which the report was due, then the system shall cause the amount to be transferred from any moneys due the participating public employer from the office of the Treasurer of State or the Department of Education as provided in § ~~19-5-106(a)(5)~~ 19-20-106(a)(4).

SECTION 273. Arkansas Code § 24-5-106(b), concerning the establishment of the Arkansas State Highway Employees' Retirement System Fund, is amended to read as follows:

(b) The employer shall draw vouchers or cause vouchers to be drawn upon the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund for deposit into the Arkansas State Highway Employees' Retirement System Fund for such sums of money as are provided in § 24-5-109 to match employee contributions as certified by the Executive Secretary of the Board of Trustees of the Arkansas State Highway Employees' Retirement System:

(1) In accordance with the provisions of this section and §§ 24-5-101 — 24-5-105, 24-5-107 — 24-5-109, and 24-5-112 — 24-5-118; or

(2) As provided under § 24-5-137.

SECTION 274. Arkansas Code § 24-6-209(b)(1), concerning the employer's contribution under the State Police Retirement System, is amended to read as follows:

(b)(1) At the request of the Executive Secretary of the State Police Retirement System, the Secretary of the Department of Finance and Administration shall make annual transfers on each June 30 to the system from the remainder of insurance premium taxes enumerated in § ~~19-6-301(27)~~ 19-42-201(27) before those taxes are transferred to general revenues enumerated in § ~~19-6-201(19)~~ 19-41-201(19) the amounts of money necessary to amortize the unfunded liabilities over a period not to exceed thirty (30) years.

SECTION 275. Arkansas Code § 24-7-411(a)(3), concerning the compelling of payment upon the delinquency of an employer under the Arkansas Teacher Retirement System, is amended to read as follows:

(3) If the interest penalty or delinquent moneys are not received by the system by the last business day of the month in which the

moneys were originally due, then the system may transfer the sums of moneys, including the interest penalty, from any moneys due the employer from the Treasurer of State and the Department of Education as provided in § ~~19-5-106(a)(5)~~ 19-20-106(a)(4).

SECTION 276. Arkansas Code § 24-7-411(b)(3), concerning the compelling of payment upon the delinquency of an employer under the Arkansas Teacher Retirement System, is amended to read as follows:

(3) If the penalty is not received by the last business day of the month in which the report was due, then the system may transfer the penalty amount from any moneys due the employer from the Treasurer of State and the Department of Education as provided in § ~~19-5-106(a)(5)~~ 19-20-106(a)(4).

SECTION 277. Arkansas Code § 24-11-410(a), concerning the investment of local police pension and relief funds, is amended to read as follows:

(a) The board of trustees of the policemen's pension and relief fund shall have the power to draw sums from its treasury, only upon warrants signed by the chair of the board of trustees of the policemen's pension and relief fund and countersigned by the policemen's pension and relief fund, to invest in the name of the board in interest-bearing bonds of the United States, of the State of Arkansas, or of the city in which the board is located, in a local government joint investment trust pursuant to the Local Government Joint Investment Trust Act, § ~~19-8-301~~ 14-79-101 et seq., in the Arkansas Local Police and Fire Retirement System, or in savings and loan associations duly established and authorized to do business in this state.

SECTION 278. Arkansas Code § 24-11-805(b), concerning the investment of local firemen's pension and relief funds, is amended to read as follows:

(b) The board of trustees of the firemen's relief and pension fund shall have the power with the consent of a majority of the firefighters at the time employed, expressed in writing and filed with the city clerk, to authorize the treasurer to draw sums from its treasury to invest in the name of the board in interest-bearing bonds of the United States, of the State of Arkansas, or of the city where the board is located, in a local government joint investment trust pursuant to the Local Government Joint Investment

Trust Act, § ~~19-8-301~~ 14-79-101 et seq., the Arkansas Local Police and Fire Retirement System, in certificates of deposit or time deposits in banks duly established and authorized to do business in this state, or in savings and loan associations duly established and authorized to do business in this state.

SECTION 279. Arkansas Code § 24-12-109(a), concerning the investment of local officer and employee funds, is amended to read as follows:

(a) The board of trustees of the pension and relief fund for paid nonuniformed employees shall have the power to draw sums from its treasury to invest in the name of the board of trustees of the pension and relief fund for paid nonuniformed employees in interest-bearing bonds of the United States, of the State of Arkansas, or of the city in which the board is located or in a local government joint investment trust pursuant to the Local Government Joint Investment Trust Act, § ~~19-8-301~~ 14-79-101 et seq.

SECTION 280. Arkansas Code § 25-1-1202(2), concerning the definitions to be used with respect to prohibited contracts by state agencies, is amended to read as follows:

(2) "Contract" means the same as defined in the Arkansas Procurement Law, § ~~19-11-203(5)~~ 19-61-103(5);

SECTION 281. Arkansas Code § 25-1-1202(4), concerning the definitions to be used with respect to prohibited contracts by state agencies, is amended to read as follows:

(4) "State agency" means the same as defined in the Arkansas Procurement Law, § ~~19-11-203(30)~~ 19-61-103(30).

SECTION 282. Arkansas Code Title 25, Chapter 1, is amended to add an additional subchapter to read as follows to reenact §§ 19-7-201 — 19-7-204:

Subchapter 13 — Office of State-Federal Relations

25-1-1301. Purpose.

It is the intent of this subchapter to establish mechanisms through which the legislative and executive branches of state government can work together with Arkansas's congressional delegation to strengthen and support

the state's relationship with the federal government and to ensure that the state receives all benefits and aid to which it is entitled.

25-1-1302. Creation.

(a) There is created within the Governor's office an Office of State-Federal Relations for the State of Arkansas, to be located in Washington, D.C.

(b) The executive head of the office shall be the Director of the Office of State-Federal Relations. The director shall be appointed by the Governor, subject to confirmation by the Senate, and shall serve at the pleasure of the Governor.

(c) All budgeting, purchasing, and related management functions shall be performed under the direction and supervision of the director. The director may delegate his or her functions, powers, and duties to personnel within the office as the director shall deem desirable and necessary for the effective and efficient operation of the office.

25-1-1303. Duties.

The duties of the Office of State-Federal Relations shall include, but not be limited to, the following:

(1) Federal Grants:

(A) Monitor opportunities for discretionary grants;

(B) Identify and comment upon proposed changes in funding formulas; and

(C) Keep the Governor's office and state agencies informed on the availability of grants;

(2) Federal Regulations:

(A) Monitor regulatory developments affecting state government;

(B) Support existing and proposed legislation and regulations favoring the interests of the state; and

(C) Support the public policy of this state as expressed by the Governor's office, the General Assembly, and agencies, as appropriate;

(3) Federal Legislation:

(A) Keep the Governor's office, agencies, and the General Assembly informed about proposed legislative developments of critical

significance to state government; and

(B) Support Arkansas's congressional delegation in efforts to influence federal governmental decisions and policies as they apply to Arkansas;

(4) Interstate Cooperation: Facilitate cooperation with other states on issues of mutual concern;

(5) Information Clearinghouse: Coordinate the flow of information between state and federal governments;

(6) Reporting: Provide regular performance reports to the Governor, the Legislative Council, and the General Assembly to enable evaluation of the effectiveness of the Washington, D.C. office; and

(7) Nongovernmental Funding Sources, Programs, etc:

(A) Discover information on all available additional funding and other resources and direct it to the appropriate state agency or person within the state; and

(B) Take advantage of all resources available on a nationwide basis that can be beneficial to the state and its citizens.

25-1-1304. Fund.

There is created within the Governor's office the Office of State-Federal Relations Fund.

SECTION 283. Arkansas Code § 25-4-111(d), concerning information technology plans, is amended to read as follows:

(d) All state agencies shall comply with the provisions of the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and applicable provisions of the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., in the acquisition, purchase, contracting for the purchase of, and leasing of information technology.

SECTION 284. Arkansas Code § 25-4-114(c), concerning contracts and agreements for information technology, is amended to read as follows:

(c) Contracts for the provision of information technology are interagency agreements and are exempt from the provisions of the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., nor are they required to be

submitted to the Legislative Council for advice.

SECTION 285. Arkansas Code § 25-4-121(e), concerning the Division of Information Systems Revolving Fund, is amended to read as follows:

(e) Subject to the written approval of the Chief Fiscal Officer of the State upon written application of the division and review by the Legislative Council, the Director of the Division of Information Systems shall have the authority to transfer funds between the Information Technology Reserve Fund established by §§ ~~19-5-1056~~ 19-27-244 and 25-4-123 and the Division of Information Systems Revolving Fund established under this section for cash management purposes.

SECTION 286. Arkansas Code § 25-8-102(b), concerning the authority of the Secretary of the Department of Finance and Administration, is amended to read as follows:

(b) The secretary shall have authority to install any recordkeeping and other procedures in his or her office and in other offices and departments of the state which he or she shall deem necessary or advisable to carry out his or her functions and duties. However, nothing in this section shall be construed to grant the secretary any authority to establish recordkeeping or other procedures, or rules with respect to the elected constitutional officers of the state, the General Assembly and its committees, or other agencies who are exempt from all or a part of the procedures set forth in the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq.

SECTION 287. Arkansas Code § 25-8-106(f), concerning marketing and redistribution of state personal property, is amended to read as follows:

(f) The Secretary of the Department of Transformation and Shared Services is authorized to promulgate reasonable rules, not inconsistent with law, for compliance with the provisions of this section, the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., and the sale of surplus commodities to not-for-profit organizations under § 22-1-101.

SECTION 288. Arkansas Code § 25-10-108(4), concerning the requirements the Secretary of the Department of Human Services shall impose on units of the Department of Human Services, is amended to read as follows:

(4)(A) Coordinate, with each institution and its administrator under the control and direction of the Department of Human Services State Institutional System Board and the Board of Developmental Disabilities Services within the department, the purchasing policies and procedures of the department as promulgated by the secretary thereof to assure that all those institutions comply with the uniform purchasing practices and policies of the department and with the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and the rules promulgated thereunder by the State Procurement Director.

(B) However, each of the various institutions under the control of the Department of Human Services State Institutional System Board and the Board of Developmental Disabilities Services within the department is authorized to have institutional purchasing officials who shall be authorized to make purchases in behalf of those institutions which are not within the exclusive jurisdiction of the State Procurement Director, but all such purchases shall be made in compliance with the uniform purchasing practices and policies promulgated by the secretary to be applicable to all divisions, offices, sections, or units of the department and shall be in conformance with the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., and rules promulgated by the State Procurement Director; and

SECTION 289. Arkansas Code § 25-18-205(d)(2), concerning volumes of the acts of the General Assembly, is amended to read as follows:

(2) Volume I shall contain only appropriation acts and the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., and amendments relative thereto and may be printed in two (2) books if the Secretary of State considers it mechanically expedient.

SECTION 290. Arkansas Code § 25-19-107(e)(2)(B), concerning appeals from a denial of rights and attorney's fees under the Freedom of Information Act of 1967, is amended to read as follows:

(B) A claim for reasonable attorney's fees and litigation expenses reasonably incurred in an action against the State of Arkansas or a department, agency, or institution of the state shall be filed with the

commission pursuant to § ~~19-10-201~~ 25-44-201 et seq. within sixty (60) days of the final disposition of the appeal under subsection (a) of this section.

SECTION 291. Arkansas Code § 25-20-306(a)(17), concerning the general powers of a public body under the Interlocal Cooperation Act, is amended to read as follows:

(17) Purchase professional services under § ~~19-11-801~~ 19-65-101 et seq. or by any method of competitive bidding including without limitation reverse auctions.

SECTION 292. Arkansas Code § 25-20-310(j)(3)(B), concerning financing improvements with bonds under the Consolidated Waterworks Authorization Act, is amended to read as follows:

(B) The provisions of the Revenue Bond Act of 1987, § ~~19-9-601~~ 19-6-601 et seq., do not apply to this section and revenue bonds or interim financing issued hereunder.

SECTION 293. Arkansas Code § 25-20-408(j), concerning financing under the Arkansas Municipal Electric Utility Interlocal Cooperation Act of 2003, is amended to read as follows:

(j) The bonds shall be executed in the manner provided for by the Registered Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq.

SECTION 294. Arkansas Code § 25-26-305(b), concerning contracts on behalf of the Arkansas Cyber Initiative, is amended to read as follows:

(b) When contracting with a person or an entity under this subchapter, the commission shall not be bound by the provisions of the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., requiring competitive bids if compliance with the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., creates a security risk.

SECTION 295. Arkansas Code § 25-28-105 is amended to read as follows:

25-28-105. Compliance with other laws.

Disbursement of funds authorized by this chapter shall be limited to the appropriation for the agency being transferred and funds made available by law for the support of such appropriations. The restrictions of the

Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq., the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., the Regular Salary Procedures and Restrictions Act, §§ 19-4-1601 and 21-5-101, or their successors, and other fiscal control laws of this state, where applicable, and rules promulgated by the Department of Finance and Administration, as authorized by law, shall be strictly complied with in disbursement of those funds.

SECTION 296. Arkansas Code § 25-29-109 is amended to read as follows:

25-29-109. Purchase of telecommunications services.

The purchase of telecommunications services by the Arkansas Deaf and Hard of Hearing Telecommunications Services Corporation shall be by competitive bid using procedures substantially similar to the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.

SECTION 297. Arkansas Code § 25-34-108(2), concerning the disbursement of revenues under the Arkansas Computer and Electronic Solid Waste Management Act, is amended to read as follows:

(2) If the sale of surplus computer or electronic equipment is outside the agency and conducted by the Marketing and Redistribution Section:

(A) Fifty percent (50%) of the proceeds shall be returned to the owning agency;

(B) Twenty-five percent (25%) of the proceeds shall be deposited with the Marketing and Redistribution Section; and

(C) Twenty-five percent (25%) of the proceeds shall be deposited into the fund established by this chapter and § ~~19-5-1217~~ 19-27-278.

SECTION 298. Arkansas Code § 25-35-105(b)(2), concerning the powers of the risk manager for the Arkansas Multi-Agency Insurance Trust Fund, is amended to read as follows:

(2) Purchase insurance and reinsurance in accordance with the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.;

SECTION 299. Arkansas Code § 25-38-203(b)(3)(B), concerning the powers

of the Department of Agriculture to assess civil penalties, is amended to read as follows:

(B) A civil penalty assessed and collected under subdivision (b)(3)(A) of this section shall be deposited into the State Plant Board Fund.

SECTION 300. Arkansas Code § 25-43-802(a)(26), concerning the state entities transferred to the Department of Health, is amended to read as follows:

(26) The Arkansas Tobacco Settlement Commission, created under § ~~19-12-117~~ 19-90-117;

SECTION 301. Arkansas Code § 25-43-802(a)(47), concerning the state entities transferred to the Department of Health, is amended to read as follows:

(47) The Tobacco Prevention and Cessation Program, created under § ~~19-12-113~~ 19-90-113; and

SECTION 302. Arkansas Code § 25-43-811(c)(7)(E), concerning the duty of the Office of Health Information Technology to establish fees for the use of the State Health Alliance for Records Exchange, is amended to read as follows:

(E) Revenue generated by the fees or charges under subdivision (c)(7)(A) of this section shall be deposited into the Health Information Technology Fund, § ~~19-5-1244~~ 19-27-299.

SECTION 303. Arkansas Code § 25-43-1402(a)(11), concerning the state entities transferred to the Department of Public Safety, is amended to read as follows:

(11) The Law Enforcement Support Office, referenced under § ~~19-11-605~~ 19-63-105;

SECTION 304. Arkansas Code § 25-43-1502(a)(8), concerning the state entities transferred to the Department of Transformation and Shared Services, is amended to read as follows:

(8) The Office of State Procurement, created under § ~~19-11-215~~

19-61-201.

SECTION 305. Arkansas Code Title 25 is amended to add an additional chapter to read as follows to reenact §§ 19-10-101 — 19-10-306:

CHAPTER 44

CLAIMS AGAINST THE STATE

Subchapter 1 — General Provisions

25-44-101. Definitions.

As used in this chapter:

(1) "General Assembly" means the appropriate subcommittee of the Legislative Council or the Joint Budget Committee that is assigned to hear appealed claims or claims requiring approval before being considered by the Legislative Council, the Joint Budget Committee, or the full General Assembly;

(2) "Insurer" means a person engaged as indemnitor, surety, or contractor in the business of entering into contracts of insurance;

(3) "State agency" means a department, office, board, commission, or institution of this state, including a state-supported institution of higher education; and

(4) "Subrogation claim" means a claim filed with the Arkansas State Claims Commission by an insurer or by its insured, or both, to recover money paid or owed by an insurer to an individual under a contract of insurance.

25-44-102. Investigatory powers.

(a)(1) As soon as the Secretary of the Department of Finance and Administration learns of facts from which the secretary concludes that a claim may be filed under this chapter against the state or a state agency, the secretary shall investigate and take evidence concerning the claim.

(2) The secretary's duty under subdivision (a)(1) of this section applies whether or not the claim has already been filed at the time the secretary learns the relevant facts upon which the secretary bases his or her conclusion.

(3) Subdivision (a)(1) of this section does not apply to a claim

for personal injury or death of a state employee.

(b) To carry out his or her duties under this section, the secretary may exercise all necessary investigatory powers conferred upon him or her by this chapter.

(c) All information acquired by the secretary under this section shall be made available to the Arkansas State Claims Commission before the hearing and determination of the claim.

25-44-103. Legal representative for state agencies.

(a) An attorney for a state agency against which a claim is filed shall represent his or her respective state agency before the Arkansas State Claims Commission.

(b) The Attorney General shall represent all state agencies that have no special legal representatives before the Arkansas State Claims Commission.

25-44-104. State employee not to represent claimant.

The following shall not appear before the Arkansas State Claims Commission as an attorney or representative for a claimant in the presentation or prosecution of a claim filed under this chapter:

(1) A full-time employee of:

(A) The State of Arkansas; or

(B) A state agency; or

(2) A member of a state agency.

25-44-105. Claims for late or lost warrants.

Before approving a claim for reissuance of a state warrant that has been lost or presented for payment after expiration of the legal date for redemption, the Arkansas State Claims Commission shall request proof from the Auditor of State that:

(1) The original warrant was legally canceled because of late redemption presentation; or

(2) In the case of a lost warrant, an official warrant cancellation procedure has been exercised.

Subchapter 2 — Arkansas State Claims Commission

25-44-201. Creation of commission — Members — Salary and expense reimbursement.

(a)(1)(A) There is created a commission to be known as the "Arkansas State Claims Commission".

(B) The commission shall consist of five (5) members to be known as "commissioners".

(C) All commissioners shall be public-spirited persons of recognized standing, and at least two (2) commissioners shall be attorneys licensed to practice law in the State of Arkansas.

(2)(A)(i) The commissioners shall be appointed by the Governor and confirmed by the Senate.

(ii) The commissioners shall serve for terms of five (5) years and thereafter until a successor has been appointed and qualified.

(iii) A vacancy in the office of commissioner shall be filled by the Governor, and that appointee shall hold office during the unexpired portion of the term in which the vacancy occurred.

(B) Commissioners may be appointed to and may serve successive terms.

(b) Before entering upon the duties of his or her office, each commissioner shall take the constitutional oath of office.

(c)(1) A commissioner shall not hear or participate in the consideration of a claim in which he or she is interested personally, either directly or indirectly.

(2) If for reason of conflict of interest a commissioner disqualifies himself or herself or is absent for any reason from hearing a particular claim and if there are no other commissioners available to hear the claim or action, the interested parties may request that a special commissioner be appointed by the Governor to hear the specific claim or action.

(d) The commission shall elect from its membership a chair or two (2) cochairs.

(e)(1)(A) Each commissioner shall receive a salary as may be prescribed by law and appropriated by the General Assembly.

(B) The salary shall be paid in the manner as are salaries of other state officials and employees.

(2) In addition to salary, each commissioner may receive expense

reimbursement in accordance with § 25-16-901 et seq.

(f) The commission is considered an adjudicatory body when the commission applies or interprets:

(1) A substantive procedural rule; or

(2) Case law from an appellate court with jurisdiction to a pending claim or action.

25-44-202. Director — Personnel.

(a) The Director of the Arkansas State Claims Commission shall be designated by the Arkansas State Claims Commission and shall serve as both the Executive Secretary for the Arkansas State Claims Commission and the Clerk of the Arkansas State Claims Commission.

(b) The commission may appoint other personnel as may be necessary to effectuate the operations of the commission and as may be authorized by biennial appropriation of the General Assembly.

25-44-203. Duties of director.

(a)(1) The duties of the Director of the Arkansas State Claims Commission shall include maintaining a system of filing and adjudicating of claims or actions against the state.

(2) The director shall keep a docket of all claims or actions filed and shall present them to the Arkansas State Claims Commission in the chronological order of filing.

(3) The director is responsible for maintenance and custody of the docket, files, and records of the commission, including the transcripts of testimony and exhibits, with all papers and requests filed in proceedings, the minutes of all actions taken, and all of the commission's findings, determinations, opinions, reports, orders, and rules.

(4) The director shall prepare the docket of claims or actions to be considered by the commission and shall notify all parties of record of the time, date, and place of hearing in advance when a claim or action will be docketed for hearing before the commission.

(5) The director shall be responsible for hiring personnel in the administration of the commission.

(b) The commission shall authorize the director to sign or authenticate all orders and other actions of the commission.

25-44-204. Jurisdiction.

(a) The Arkansas State Claims Commission has jurisdiction over:

(1) A claim or action that is barred by the doctrine of sovereign immunity under Arkansas Constitution, Article 5, § 20, from being litigated in a court of general jurisdiction, except as otherwise provided by law;

(2) A claim or action that solely addresses the receipting, processing, and reissuance of child support payments through the Arkansas Child Support Clearinghouse;

(3) A claim or action to contest eligibility, qualification, or election to serve as a member of the House of Representatives for the purpose of making a nonbinding recommendation on the claim or action to that chamber of the General Assembly; and

(4) A claim or action to recover reasonable attorney's fees and other litigation expenses reasonably incurred by a plaintiff who substantially prevails in an action under § 25-19-107 against the State of Arkansas or a state agency under the standard described in § 25-19-107(d)(1).

(b) The commission has no jurisdiction over a claim or action:

(1) Against a municipality, county, school district, or any other political subdivision of the state;

(2) Arising under:

(A) The Workers' Compensation Law, § 11-9-101 et seq.;

(B) The Division of Workforce Services Law, § 11-10-101 et seq.;

(C) The Arkansas Teacher Retirement System Act, Acts 1973, No. 427;

(D) The Arkansas Public Employees' Retirement System Act, Acts 1957, No. 177;

(E) The State Police Retirement System Act, § 24-6-201 et seq.; or

(F) Laws providing for old age assistance grants, child welfare grants, blind pensions, or any laws of a similar nature;

(3) Against the state for repayment of child support, except in cases in which the underlying support order is set aside as void ab initio by the court and the child support paid was retained by the state as

reimbursement for public assistance paid on behalf of a child;

(4) Brought by a member of the uniformed armed services against the Department of the Military, the State Militia, or any subdivision of the State Militia, if the claim or action arises out of the performance of the claimant's military duty;

(5) Brought against the Division of Community Correction for acts committed by a person while that person is subject to conditions of parole, post-release supervision, or probation under Arkansas law;

(6) Brought against the Division of Correction for acts committed by inmates while on authorized release from the Division of Correction;

(7) Brought against the Division of Youth Services for acts committed by juveniles released by the Division of Youth Services, whether or not the juvenile is subject to conditions of aftercare or probation; or

(8) For state tax refunds under § 26-18-507, a claim or action challenging tax assessments under § 26-18-406, or a claim or action challenging tax laws under Arkansas Constitution, Article 16, § 13.

(c) The commission shall not make an award for a claim or action that, as a matter of law, would be dismissed from a court of law for reasons other than sovereign immunity.

25-44-205. Rulemaking authority.

The Arkansas State Claims Commission may make and alter or amend all rules governing the procedure before the commission that may be necessary and expedient for the orderly discharge of the commission's duties and that are not inconsistent with this subchapter or other laws.

25-44-206. Meetings.

(a)(1) The Arkansas State Claims Commission shall meet at the time and place designated by the Chair of the Arkansas State Claims Commission, the cochairs of the Arkansas State Claims Commission, or the Director of the Arkansas State Claims Commission.

(2) General meetings of the commission for the purpose of hearing testimony and taking evidence shall be held each month unless scheduled differently by the chair, the cochairs, or the director.

(b) The commission may hold a special meeting of the commission upon

request by the interested parties.

(c) The commission shall meet in Little Rock but may conduct hearings elsewhere in the state if the commission determines that a hearing is relevant to business before the commission.

(d)(1) A majority of the commissioners shall constitute a quorum, and the concurrence of two (2) members of the commission shall be necessary for the allowance or disallowance of any claims.

(2) A vacancy does not impair the right of the remaining two (2) commissioners assigned to a particular hearing to exercise all powers of the full commission.

25-44-207. Power to examine.

(a) The Director of the Arkansas State Claims Commission or a commissioner of the Arkansas State Claims Commission has the authority to administer oaths, to subpoena witnesses, to examine any books, documents, or records that may be relevant to any proceeding before the commission, and to require the production of any such materials.

(b) In an action to contest the election of a member of the House of Representatives, the commission's general authority to subpoena witnesses and documents shall specifically include the authority to subpoena election officers and to subpoena any ballots cast or other election records in the election at issue.

(c) If a claimant or witness to whom an oath has been administered as provided under this section swears falsely to a fact material to the investigation of a claim, the false swearing shall constitute perjury, and the person swearing falsely shall be subject to prosecution.

(d)(1)(A) If a person or entity fails or refuses to obey a commission subpoena or order or refuses to testify or produce any books, papers, or other documents, the commission may present its petition setting forth the facts to any court of record.

(B) After being presented with a petition under this subsection, the court of record shall issue its subpoena to the person or entity, requiring his or her or its attendance before the court of record to testify or produce the books, papers, or documents as may be deemed necessary and pertinent.

(C) A person or entity failing or refusing to obey the

subpoena or order of the court of record may be proceeded against in the same manner as for refusal to obey any other subpoena, as provided by the Arkansas Rules of Civil Procedure.

(2) The commission may use the Attorney General and the services of the prosecuting attorneys for the county and district in which the enforcement of a subpoena under this subsection is required.

25-44-208. Complaints.

(a)(1) A proceeding under this subchapter shall be commenced by a verified complaint, of which the original and three (3) copies shall be filed with the Director of the Arkansas State Claims Commission.

(2) The party filing the claim or action shall be designated as the claimant, and the State of Arkansas, state agency, or applicable agent of the state shall be designated as the respondent.

(b) Unless otherwise provided for under this section, the complaint shall state concisely the facts upon which the claim or action is based and shall set forth:

(1) The address of the claimant and the claimant's attorney, if any;

(2) The time and place of the circumstances giving rise to the claim or action;

(3) The state agency whose action or inaction led to the origination of the claim or action;

(4) The amount claimed or relief sought; and

(5) All averments of fact necessary to state a cause of action against the state under this subchapter.

(c) If the claim or action is based upon a contract or other instrument in writing, a copy of the contract or instrument in writing shall be attached to the complaint and the copies filed with the director.

(d)(1) The claimant shall state in the complaint whether he or she has received any payment on account of the claim or action and, if so, the amount received.

(2)(A) The claimant also shall state whether another person or business entity has an absolute or contingent interest in his or her claim or action.

(B) If a person or corporation is interested in the claim,

the claimant shall state the name and address of that person or corporation having the interest, the nature of the interest, and how and when it was acquired.

(e) If the claimant is an executor, administrator, guardian, or other representative acting under judicial appointment, a duly certified copy of the record of appointment shall be filed with the complaint.

(f)(1) A claimant who is an inmate in the Division of Correction or the Division of Community Correction at the time the claim or action is filed is limited to no more than:

(A) Five (5) pages of written factual allegations and legal argument in his or her complaint; and

(B) Five (5) additional pages of exhibits to accompany his or her complaint.

(2)(A) An inmate filing a claim or action may file a motion to allow him or her to file additional pages of factual allegations, argument, or exhibits in excess of the limitations under subdivision (f)(1) of this section.

(B) A motion filed under this subdivision (f)(2) may be granted only if the commissioners of the Arkansas State Claims Commission find that the inmate needs the additional pages to fully explain his or her claim or action or if the claim or action is sufficiently complex to warrant additional pages.

(3)(A) If an inmate files a claim or action that exceeds the page limitations under this subsection, the commission shall:

(i) Assign the inmate's claim a docket number; and

(ii) Consider the inmate's claim filed, but mail the inmate's complaint and any attached exhibits back to him or her and give the inmate forty-five (45) days to:

(a) Resubmit his or her complaint and any attached exhibits in compliance with this subsection; or

(b) File a motion requesting permission to file a complaint and accompanying exhibits that exceed the page limitations under this subsection.

(B) The forty-five-day time period under this subsection is excludable time in calculating the statute of limitations for the inmate's claim or action.

(C) The commission may dismiss an inmate's complaint without prejudice if the inmate fails to:

(i) Resubmit a complaint and attached exhibits that meet the page limitation requirements of this subsection; or

(ii) File a motion requesting permission to file a complaint and attached exhibits that exceed the page limitation requirements of this subsection.

(D)(i) If the commission grants a motion for a complaint and accompanying exhibits that exceed the page limitation requirements of this subsection, the commission shall set out in the order granting the motion the revised timeline for the inmate to file his or her complaint and accompanying exhibits.

(ii) The commission may set a revised limit on the number of pages an inmate's complaint and accompanying exhibits may be.

25-44-209. Time for filing.

The Arkansas State Claims Commission shall not consider or allow a claim or action unless the claim or action has been filed with the Director of the Arkansas State Claims Commission as provided by this subchapter within the period allowed by law for the commencement of an action for the enforcement of the same type of claim or action.

25-44-210. Notice and hearings.

(a)(1) The Director of the Arkansas State Claims Commission shall notify each claimant and also the head of each state agency against which a claim or action is filed of the time and place set for a hearing on the claim or action, if a hearing on the matter is set by the Arkansas State Claims Commission.

(2) A party to a claim or action is not entitled to a hearing as a matter of law but may request a hearing before the commission.

(b)(1) The commission is not bound by the formal rules of evidence and shall conduct all hearings publicly and in a fair and impartial manner, giving the parties full opportunity for presentation of evidence, cross-examination of witnesses, and argument.

(2) To the extent practicable, the commission shall adopt the procedure used by the circuit courts, and a hearing before the commission

shall be conducted in a judicial manner.

(c) Hearings on a motion filed by a party shall be set:

(1) Upon request of one (1) of the parties; and

(2) If the commission finds that oral argument or witness testimony, or both, will benefit the commission in deciding on the motion.

25-44-211. Appeals of decisions — Jurisdiction — Time periods to file.

(a)(1) Within forty (40) days after the Arkansas State Claims Commission transmits a final order on a claim or action before the commission, a party to the claim or action may file with the commission a:

(A) Notice of appeal of the final order to the General Assembly; or

(B)(i) Motion requesting that the commission reconsider its final order.

(ii)(a) If a motion for reconsideration is denied, a party may file with the commission a notice of appeal of the claim to the General Assembly within twenty (20) days of the commission's transmitting the order denying the motion for reconsideration.

(b) Subdivision (a)(1)(B)(ii)(a) of this section applies only if the commission's reconsideration constitutes a final order.

(2) The commission shall advise parties of the right of appeal under this section when the commission notifies the parties of the commission's final order.

(3) The General Assembly has exclusive jurisdiction to hear appeals under this section.

(b)(1)(A) The commission shall timely notify the General Assembly and all parties to the claim or action when a notice of appeal to the General Assembly is filed with the commission within the number of days permitted to file a notice of appeal.

(B) If a notice of appeal is submitted outside the number of days permitted to file a notice of appeal, the commission shall not:

(i) Accept the notice of appeal for filing; or

(ii) Transmit the notice of appeal to the General Assembly for consideration.

(C) If an untimely notice of appeal is submitted under

subdivision (b)(1)(B) of this section, the commission shall notify all parties to the claim or action that the notice of appeal:

(i) Was submitted outside the number of days permitted to file a notice of appeal; and

(ii) Will not be transmitted to the General Assembly for consideration.

(2)(A) Notice provided to the General Assembly under subdivision (b)(1) of this section terminates the commission's jurisdiction over the claim or action.

(B) Unless ordered to do so by the General Assembly, the commission is prohibited from doing anything further on the claim or action aside from ordinary ministerial duties.

(3) The commission shall regain jurisdiction over the claim or action if, in consideration of an appeal of a final order, the General Assembly sends the claim or action back to the commission:

(A) For further proceedings consistent with any order of the General Assembly; or

(B) To notify the claimant that the award has been upheld, reversed, or amended.

25-44-212. Reports of state agency liability.

(a) When a state agency admits liability to a claim filed with the Arkansas State Claims Commission, the state agency shall file a written report of the claim with the Litigation Reports Oversight Subcommittee of the Legislative Council if the claim:

(1) Involves a contract with the state agency; or

(2) Exceeds fifteen thousand dollars ($15,000).

(b) The state agency shall include in its report a concise statement of facts with an explanation of the state agency's liability.

(c) The state agency shall file its report within thirty (30) days after the claim or action has been adjudicated and a final order has been issued by the commission.

25-44-213. State agency to pay claim — Employment compensation claims — Director disbursing officer.

(a)(1) When a claim or action is determined to be a valid claim or

action against the state under this chapter and the claim or action is to be paid from funds not in the State Treasury, the Director of the Arkansas State Claims Commission shall notify the state agency against which the claim or action is to be charged of the amount of the claim or action.

(2) Upon receipt of the notification under subdivision (a)(1) of this section, the state agency shall deliver a check to the director who shall deposit the funds as a nonrevenue receipt into the Miscellaneous Revolving Fund from which the director shall disburse the amount of the claim or action to the claimant.

(b)(1) The director shall distribute a warrant for the payment of a valid claim against the state for employment compensation claims in the manner provided by this subsection.

(2) If an employment compensation claim is determined to be a valid claim against the state, the director shall notify the state agency against which the claim is to be charged and the Office of Personnel Management of the amount of the claim.

(3) Upon receipt of the notification under this subsection, the state agency against which the claim is charged shall process the award through the state mechanized payroll system.

(c)(1) The director shall be the disbursing officer for the funds appropriated for expense reimbursements for the Firefighter Benefit Review Panel.

(2) Expense reimbursements under this subsection shall be paid to the panel as certified in writing to the Arkansas State Claims Commission by the Chair of the Firefighter Benefit Review Panel.

(3) The commission may pay expense reimbursements for all unpaid meetings in prior state fiscal years.

25-44-214. Effect on liens.

(a) Arkansas State Claims Commission awards are state property and therefore:

(1) Liens do not attach to commission awards; and

(2) A commission award is not assignable.

(b)(1) If the commission and the General Assembly approve appeals or claims or actions above fifteen thousand dollars ($15,000) and name as payees, in addition to the claimant, other individuals or entities who would

normally have liens in a court of law, other than insurance company subrogation claims, then the commission may deposit the amount approved into the registry of the Pulaski County Circuit Court.

(2) After reasonable notice to the claimant and any named payees, the court shall establish the validity and priority to the moneys upon petition of the claimant or any named payee.

25-44-215. Restrictions on awards.

(a) With the exception of death and disability benefit claims paid under § 21-5-701 et seq., the Arkansas State Claims Commission shall not pay an award in excess of fifteen thousand dollars ($15,000).

(b) If an award is greater than fifteen thousand dollars ($15,000), the commission shall refer the claim or action to the General Assembly for approval and, if approved, an appropriation.

25-44-216. Final orders — Findings of fact and conclusions of law required.

(a)(1) When the Arkansas State Claims Commission dismisses a claim or action with a final order or issues a final order of a claim or action on the merits, the commission shall set forth specific findings of fact and conclusions of law to support its decision.

(2) Citations to a party's motion or argument do not fulfill the requirements of this subsection unless otherwise supported by an explanation, with particularity, as to why the party's motion or argument is determinative to the outcome of the claim or action.

(3) When the commission bases its decision on a specific rule of civil procedure, rule of evidence, statute, or controlling appellate court decision, the commission shall cite the rule, statute, or appellate court decision.

(4) The General Assembly shall not accept a claim or action on appeal when the claim or action has as its final adjudication findings of fact and conclusions of law that do not comply with this section.

(b) Failure to comply with this section shall result in the General Assembly's sending the claim or action back to the commission for further action until the requirements of subsection (a) of this section are met.

(c) A claim or action filed by a person who at the time of filing is

an inmate of the Division of Correction is exempted from the requirements of this section.

(d) The findings of fact and conclusions of law contained in a final order under this section are presumed to be correct for the purposes of review by or appeal to the General Assembly.

25-44-217. Motions — Grounds required to preserve for appeal.

(a) If the Arkansas State Claims Commission denies a motion, the party whose interests were adversely affected by the commission's denial may appeal the denial under § 25-44-211 so long as the legal issue or factual issue in dispute was preserved for appeal with a specific ruling, in writing, by the commission.

(b)(1)(A) It is the responsibility of the party whose interests were adversely affected by the commission's ruling on the motion to ask the commission to file a written order denying the motion if the commission had previously denied the motion and has not already filed a written order on the motion before the commission issues its final order.

(B) If a party requests that the commission file a written order denying a motion under this subsection, the commission shall do so before issuing a final order.

(2) If the basis of a ground for appeal by a party is that a motion was erroneously granted, a filed written order by the commission is not necessary.

25-44-218. Interlocutory appeals prohibited.

(a) A party shall not file, and the Arkansas State Claims Commission shall not entertain, an interlocutory appeal of a legal issue.

(b)(1) The Director of the Arkansas State Claims Commission shall reject an interlocutory motion.

(2) An interlocutory motion shall not be included in the record of the case.

(c) All legal issues or factual issues in dispute that have been raised and addressed by the commission may be included in a party's appeal of the commission's final order.

25-44-219. Small claims adjudication.

(a)(1) The Arkansas State Claims Commission may establish a small claims adjudication process for claims or actions seeking one thousand dollars ($1,000) or less.

(2) The small claims adjudication process shall provide that claims or actions be given docket priority, and the use of informal discovery, hearings utilizing teleconferencing or other off-site communications technology, and relaxed procedural rules are encouraged to facilitate efficient and timely resolution.

(b)(1) A claim or action seeking one thousand dollars ($1,000) or less may be:

(A) Assigned to be heard by one (1) commissioner of the commission; and

(B) Decided by the commissioner on the basis of the pleadings alone.

(2) If a claimant objects to having the claim or action heard as a small claims adjudication under this section, the claimant may request that the claim or action be heard in the usual manner for similar claims or actions.

(c) Before a proposed written final order of a small claims adjudication under this section is considered final for the purposes of award or appeal, the proposed written final order shall be reviewed by a panel consisting of:

(1) The commissioner of the commission assigned to the claim or action; and

(2) Two (2) other commissioners of the commission.

25-44-220. Special masters authorized.

(a) The Arkansas State Claims Commission may appoint a special master with specialized knowledge and skill to assist the commission in achieving a more timely resolution of complex litigation arising from a claim or action.

(b)(1) All or part of a special master's findings may be included as part of or in addition to a commission's final order.

(2) The special master's findings, if disputed by a party, may be raised on appeal.

25-44-221. Abuse of process by litigants.

An inmate in the Division of Correction or the Division of Community Correction who has filed more than three (3) unsuccessful claims or actions under this subchapter within a period of two (2) years may have his or her subsequent claims or motions dismissed by the Arkansas State Claims Commission upon receipt as abuse of process, for one (1) year from the date of dismissal of the inmate's third unsuccessful claim.

25-44-222. Corporate or business entity to be represented by attorney.

(a) Except as provided in subsection (b) of this section, a corporate or business entity created under the laws of this state or another state shall be represented at all times in a claim or action under this subchapter by an attorney licensed to practice law in this state.

(b) Representation by an attorney licensed to practice law in this state is not required under this section if:

(1) The amount of money at issue is less than two thousand dollars ($2,000); or

(2) The claim is:

(A) An uncontested claim for the reissuance of a warrant; or

(B) For the refund of a liquor license permit application fee.

25-44-223. Failure to exhaust available state or administrative remedy.

The Arkansas State Claims Commission may dismiss a claim or action without prejudice on the commission's own motion if the claimant has failed to submit with the claimant's initial complaint or claim filing documentation that the claimant has exhausted all available state or administrative remedies.

Subchapter 3 — Effect of Insurance

25-44-301. Definitions.

As used in this subchapter, unless the context otherwise requires:

(1) "Insurer" means every person engaged as indemnitor, surety, or contractor in the business of entering into contracts of insurance; and

(2) "Subrogation claim" means any claim filed with the Arkansas State Claims Commission by an insurer or its insured, or both, to recover money paid or owed by an insurer to any individual under a contract of insurance.

25-44-302. Exhaustion of remedies against insurer.

(a) The Arkansas State Claims Commission shall not dismiss a claim with prejudice on grounds that the claimant has received or is due benefits under a policy of insurance. However, the commission shall hear no claim until the claimant has exhausted all remedies against insurers, including the claimant's insurer.

(b) Every claim filed with the commission shall be accompanied by a sworn affidavit, on a form to be provided by the commission, signed by the claimant and witnessed by the claimant's insurer and legal counsel, if any, that the claimant has exhausted all remedies against insurers, including the claimant's insurer. The affidavit shall further state the total amount of insurance benefits paid to the claimant.

25-44-303. Reduction of award.

(a) If the Arkansas State Claims Commission awards damages to a claimant who has received benefits under any policy of insurance, the premium of which has not been paid by or on behalf of the claimant, the commission shall reduce its award by the amount of insurance benefits received by the claimant.

(b) The commission shall not reduce awards for damages to a claimant who has received benefits under a policy of insurance, the premium of which has been paid by or on behalf of the claimant.

25-44-304. Subrogation claims not heard.

The Arkansas State Claims Commission shall not hear subrogation claims. This fact shall in no way alter or vary the operation or coverage of §§ 21-9-201 — 21-9-205.

25-44-305. Immunity of state officers and employees — Status as employee.

(a) Officers and employees of the State of Arkansas are immune from

liability and from suit, except to the extent that they may be covered by liability insurance, for damages for acts or omissions, other than malicious acts or omissions, occurring within the course and scope of their employment.

(b) For purposes of this chapter, agreements between the State of Arkansas and a state of the United States or the District of Columbia entered into pursuant to the Interlocal Cooperation Act, § 25-20-101 et seq., shall confer status of an employee for purposes of this chapter on persons acting pursuant to such agreement.

(c) For purposes of this chapter, persons acting individually or on behalf of charitable organizations, other than motor carriers as defined by § 23-13-203(a)(13), shall have the status of an employee while transporting persons as a service of the Transitional Employment Assistance Program.

(d) For purposes of this chapter, dental residents and faculty of a pediatric dentistry program in an adjoining state shall have the status of an employee while on duty and performing assigned responsibilities in a pediatric dentistry program located within a hospital dental clinic in this state.

25-44-306. Res judicata or collateral estoppel.

If an individual commences a civil action in any court of law within this state which arises out of the same subject matter or occurrence that is the subject matter of a complaint before the Arkansas State Claims Commission, the commission shall recognize any final judgment or order rendered in the civil action as a bar to further consideration of the claim in accordance with principles of res judicata and collateral estoppel.

SECTION 306. Arkansas Code § 26-18-303(b)(25), concerning exceptions to the requirement to keep tax records of the Department of Finance and Administration confidential and privileged, is amended to read as follows:

(25) Disclosure of information related to a business closure order under § 26-18-1001 et seq. to the Office of State Procurement for the purpose of carrying out §§ ~~19-11-281 and 19-11-1015~~ 19-61-410 and 19-67-208;

SECTION 307. Arkansas Code § 26-18-308 is amended to read as follows:

26-18-308. Disposition of revenues.

All taxes, interest, penalties, and court costs received by the

Secretary of the Department of Finance and Administration under any state tax law, unless otherwise specified in this chapter, shall be deposited in the manner stated in the applicable state tax law. Where this chapter is the governing authority for the collection of interest, penalties, and court costs, the amounts collected are general revenues and shall be so deposited to the credit of the State Apportionment Fund and allocated as provided by the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 308. Arkansas Code § 26-26-310(b)(2)(C)(ii), concerning the certification of the amount of the property tax reduction for the homestead property tax credit, is amended to read as follows:

(ii) Beginning December 31, 2005, and on December 31 of each subsequent year, the Treasurer of State shall:

(a) Calculate each county's proportionate share of one million dollars ($1,000,000) based on the proportions used to reimburse the county for property tax reductions under subsection (a) of this section;

(b) Transfer the amount calculated under subdivision (b)(2)(C)(ii)(a) of this section to the county treasurer for allocation to the county assessor for use by the county assessor for the costs of administering Arkansas Constitution, Amendment 79, including without limitation costs for personnel, equipment, services, and postage used in the administration of Arkansas Constitution, Amendment 79;

(c) Distribute two million dollars ($2,000,000) from the Property Tax Relief Trust Fund to the counties in the state using the formula stated in § ~~19-5-602(c)(1)(A)~~ 19-25-102(c)(1)(A); and

(d) Distribute two million dollars ($2,000,000) from the Property Tax Relief Trust Fund to the municipalities in the state using the formula stated in § ~~19-5-601(c)~~ 19-25-101(c).

SECTION 309. Arkansas Code § 26-26-1905(a)(3)(B), concerning the powers of the Assessment Coordination Division with respect to rules relating to reappraisal procedures, is amended to read as follows:

(B) Section ~~19-11-101~~ 19-60-101 et seq. shall not apply to a contract made under this subchapter and to the expenditure of funds from the Arkansas Real Property Reappraisal Fund.

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(c)(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

Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 314. Arkansas Code § 26-54-113(b)(2), concerning the disposition of funds under the Arkansas Corporate Franchise Tax Act of 1979, is amended to read as follows:

(2) After the transfers required by subdivision (b)(1) of this section have been made, the taxes and penalties collected under this chapter during the remainder of the fiscal year shall be special revenues, and the Treasurer of State shall transfer the taxes and penalties collected to the Educational Adequacy Fund after making the deductions required by § ~~19-5-203(b)(2)~~ 19-21-103(b)(2).

SECTION 315. Arkansas Code § 26-55-1004(a)(2)(C), concerning the disposition of revenues derived from the additional tax on motor fuel, is amended to read as follows:

(C) Seventy percent (70%) of the amount to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

SECTION 316. Arkansas Code § 26-55-1004(b)(1), concerning the disposition of revenues derived from the additional tax on motor fuel, is amended to read as follows:

(b)(1) All such funds credited to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund shall be used for construction, reconstruction, and maintenance of the rural state highways of the state and their extensions into municipalities and industrial access roads.

SECTION 317. Arkansas Code § 26-55-1202(a), concerning additional funds deposited into the State Treasury from taxes on motor fuels, distillate special fuels, and liquefied gas special fuels, is amended to read as follows:

(a) All of the additional taxes, fees, penalties, and interest collected under the provisions of this subchapter and §§ 26-55-710, 26-56-214, and 26-56-304 shall be classified as special revenues and shall be deposited into the State Treasury. After deducting therefrom the amount to be

credited to the Constitutional Officers Fund and the State Central Services Fund as provided in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., the Treasurer of State shall transfer on the last business day of each month:

(1) Fifteen percent (15%) of the amount thereof to the County Aid Fund;

(2) Fifteen percent (15%) of the amount thereof to the Municipal Aid Fund; and

(3) Seventy percent (70%) of the amount thereof to a special account in the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund to be designated the "1991 Highway Construction and Maintenance Account".

SECTION 318. Arkansas Code § 26-56-222(b), concerning the disposition of funds collected under certain statutes related to special motor fuels, is amended to read as follows:

(b) After deducting the amount to be credited to the Constitutional Officers Fund and the State Central Services Fund as provided under the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., the Treasurer of State shall transfer on the last business day of each month:

(1) Fifteen percent (15%) of the amount thereof to the County Aid Fund;

(2) Fifteen percent (15%) of the amount thereof to the Municipal Aid Fund; and

(3) Seventy percent (70%) of the amount thereof to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

SECTION 319. Arkansas Code § 26-56-504(a)(2)(C), concerning the disposition of revenues derived from the additional tax on distillate special fuel and liquefied gas special fuel, is amended to read as follows:

(C) Seventy percent (70%) of the amount to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

SECTION 320. Arkansas Code § 26-56-504(b)(1), concerning the

disposition of revenues derived from the additional tax on distillate special fuel and liquefied gas special fuel, is amended to read as follows:

(b)(1) All such funds credited to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation shall be used for construction, reconstruction, and maintenance of the rural state highways of the state and their extensions into municipalities and industrial access roads.

SECTION 321. Arkansas Code § 26-56-602(a), concerning additional funds deposited into the State Treasury from taxes on motor fuels, distillate special fuels, and liquefied gas special fuels, is amended to read as follows:

(a) All of the additional taxes, fees, penalties, and interest collected under the provisions of this subchapter and §§ 26-55-710, 26-56-214, and 26-56-304 shall be classified as special revenues and shall be deposited into the State Treasury. After deducting therefrom the amount to be credited to the Constitutional Officers Fund and the State Central Services Fund as provided in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., the Treasurer of State shall transfer on the last business day of each month:

(1) Fifteen percent (15%) of the amount thereof to the County Aid Fund;

(2) Fifteen percent (15%) of the amount thereof to the Municipal Aid Fund; and

(3) Seventy percent (70%) of the amount thereof to a special account in the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund to be designated the "1991 Highway Construction and Maintenance Account".

SECTION 322. Arkansas Code § 26-57-247(p)(3), concerning the seizure, forfeiture, and disposition of tobacco products and other property, is amended to read as follows:

(3) Moneys in the tobacco control fund shall be appropriated on a continuing basis and are not subject to the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 323. Arkansas Code § 26-57-610(b)(3), concerning the disposition of insurance premium taxes, is amended to read as follows:

(3) The taxes collected under §§ 26-57-604 and 26-57-605 shall be classified as general revenues, and the net amount of taxes collected under §§ 26-57-604 and 26-57-605 shall be credited 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.; and

SECTION 324. Arkansas Code § 26-57-610(b)(5)(C), concerning the disposition of insurance premium taxes collected under the Arkansas Medicaid Program as administered by a risk-based provider organization, is amended to read as follows:

(C) On and after the certification as described in subdivision (b)(5)(A) of this section and after the transfer under subdivision (b)(5)(B)(i) of this section, transferred in the remainder to the Arkansas Medicaid Program Trust Fund and used as provided by § ~~19-5-985~~ 19-26-269 as well as being used to provide funding for:

(i) The quality incentive pool under the Medicaid Provider-Led Organized Care Act, § 20-77-2701 et seq.;

(ii) Home and community-based services for individuals with behavioral health needs and intellectual and developmental disabilities; and

(iii) Other services covered by the Arkansas Medicaid Program as determined by the Department of Human Services.

SECTION 325. Arkansas Code § 26-57-806(d), concerning the additional tax of twenty-eight dollars on cigarettes, is amended to read as follows:

(d) The revenue derived from the additional tax imposed by this section 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 Revenue Stabilization Law, § ~~19-5-201~~ 19-21-101 et seq.

SECTION 326. Arkansas Code § 26-57-807(e), concerning the additional tax of thirty-six percent on tobacco products other than cigarettes, is

amended to read as follows:

(e) The revenue derived from the additional tax imposed by this section 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 Revenue Stabilization Law, § ~~19-5-201~~ 19-21-101 et seq.

SECTION 327. Arkansas Code § 26-57-1108 is amended to read as follows:

26-57-1108. Appropriation from general revenues — Additional tax not collected.

The taxes levied by this subchapter shall not be collected during any fiscal year for which the General Assembly has appropriated at least eight hundred thousand dollars ($800,000) from general revenues to the Breast Cancer Research Fund and at least three million two hundred thousand dollars ($3,200,000) of general revenues to the Breast Cancer Control Fund and funded those appropriations in Category A of the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., for that fiscal year.

SECTION 328. Arkansas Code § 26-57-1208(b)(1), concerning the distribution of the vending device decal fees levied under the Vending Devices Decal Act of 1997, is amended to read as follows:

(1) Eighty percent (80%) of the fees collected under § 26-57-1206(a)(1)(B)-(E) and sixty percent (60%) of the fees collected under § 26-57-1206(a)(1)(A) shall be deposited to the credit of the General Revenue Fund Account of the State Apportionment Fund provided by § ~~19-5-202~~ 19-21-102;

SECTION 329. Arkansas Code § 26-57-1309(b)(2), concerning the assignment of funds placed into escrow by a tobacco product manufacturer, is amended to read as follows:

(2) Any funds withdrawn under subdivision (b)(1) of this section shall be deposited into the Tobacco Settlement Cash Holding Fund under § ~~19-12-104~~ 19-90-104 and shall be calculated on a dollar-for-dollar basis as a credit against any judgment or settlement in favor of the state as part of the Master Settlement Agreement under § 26-57-261 against the tobacco product manufacturer that has assigned the funds in the subject escrow account.

SECTION 330. Arkansas Code § 26-58-124(b)(2)(C), concerning the distribution of severance tax revenues, is amended to read as follows:

(C) Seventy-five percent (75%) of the amount of the severance taxes and penalties, except those on timber and timber products and except those on diamonds, shall be general revenues and shall be allocated 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.; and

SECTION 331. Arkansas Code § 26-59-122(b), concerning the disposition and allocation of funds generated by the estate tax, is amended to read as follows:

(b) The Treasurer of State shall allocate and transfer the funds 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 332. Arkansas Code § 26-60-112(b)(2)(A), concerning the disposition of funds collected from the real property transfer tax, is amended to read as follows:

(A) The entire amount collected during each fiscal year until there has been collected an amount of such tax equaling the amount of tax collected under this chapter during fiscal year 1982-1983 shall be credited as general revenues to be allocated to the various funds participating in the distribution of general revenues in the amount of each such fund 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.; and

SECTION 333. Arkansas Code § 26-62-109(a), concerning the disposition of revenue generated from the alternative fuels tax, is amended to read as follows:

(a) All of the taxes, fees, penalties, and interest collected under the provisions of this chapter shall be classified as special revenues and shall be deposited into the State Treasury. After deducting therefrom the

three percent (3%) for credit to the Constitutional Officers Fund and the State Central Services Fund as provided in the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq., the Treasurer of State shall transfer on the last business day of each month:

(1) Fifteen percent (15%) of the amount thereof to the County Aid Fund;

(2) Fifteen percent (15%) of the amount thereof to the Municipal Aid Fund; and

(3) Seventy percent (70%) of the amount thereof to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

SECTION 334. Arkansas Code § 26-63-106(b), concerning the disposition of taxes, interest, and penalties derived from special excise taxes, is amended to read as follows:

(b) The Treasurer of State shall allocate and transfer the general revenues described in subsection (a) of this section to the various State Treasury funds participating in general revenues in the respective proportions to those funds 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 335. Arkansas Code § 26-75-609 is amended to read as follows:

26-75-609. Execution of bonds.

The bonds shall be executed in the manner provided by the Registered Public Obligations Act of Arkansas, § ~~19-9-401~~ 19-6-401 et seq., as that act may be amended.

SECTION 336. Arkansas Code § 27-14-601(d)(1), concerning fees for the registration and licensing of motor vehicles, is amended to read as follows:

(d)(1) All taxes, fees, penalties, interest, and other amounts collected under the provisions of this section, except those set forth in subdivision (d)(3) of this section, shall be classified as special revenues and shall be deposited into the State Treasury. After deducting the amount to be credited to the Constitutional Officers Fund and the State Central Services Fund as provided under the Revenue Stabilization Law, § ~~19-5-101~~ 19-

20-101 et seq., the Treasurer of State shall transfer on the last business day of each month:

(A) Fifteen percent (15%) of the amount thereof to the County Aid Fund;

(B) Fifteen percent (15%) of the amount thereof to the Municipal Aid Fund; and

(C) Seventy percent (70%) of the amount thereof to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

SECTION 337. Arkansas Code § 27-14-601(d)(4), concerning the disposition of fees for the registration and licensing of motor vehicles, is amended to read as follows:

(4) That portion of the annual license fee collected pursuant to subdivision (a)(3)(H)(ii)(f) of this section declared to be a permit fee shall be classified as special revenues and shall be deposited into the State Treasury. The Treasurer of State shall transfer on the last business day of each month all of the portions of the annual license fees to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund to be utilized for the construction, reconstruction, and maintenance of highways and bridges in the state highway system.

SECTION 338. Arkansas Code § 27-14-601(e)(2), concerning the penalty for owning or operating a motor vehicle without paying the required fee for registration and licensing of the motor vehicle, is amended to read as follows:

(2) If the arresting officer is:

(A) An officer of the Division of Arkansas State Police, the fine collected shall be remitted by the tenth day of each month to the Administration of Justice Funds Section on a form provided by the Administration of Justice Funds Section for deposit into the Division of Arkansas State Police Fund, to be used for the purchase and maintenance of state police vehicles;

(B) An officer of the Arkansas Highway Police Division of the Arkansas Department of Transportation, the fine collected shall be remitted by the tenth day of each month to the Administration of Justice

Funds Section on a form provided by the Administration of Justice Funds Section for deposit into the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund, to be used for the purchase and maintenance of highway police vehicles;

(C) A county law enforcement officer, the fine collected shall be deposited into the county fund used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, lifesaving medical apparatus, and law enforcement apparatus, to be used for those purposes; and

(D) A municipal law enforcement officer, the fine collected shall be deposited into that municipality's fund used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, lifesaving medical apparatus, and law enforcement apparatus, to be used for those purposes.

SECTION 339. Arkansas Code § 27-14-614(c), concerning the additional fee for electric vehicles and hybrid vehicles, is amended to read as follows:

(c) The revenues collected under this section are highway revenues as defined in § 27-70-202 and shall be distributed to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund, the County Aid Fund, and the Municipal Aid Fund, as provided in § 27-70-206.

SECTION 340. Arkansas Code § 27-22-107(a)(2)(D), concerning motor vehicle insurance reporting, is amended to read as follows:

(D) The department shall select a vendor under the Arkansas Procurement Law, § ~~19-11-201~~ 19-61-101 et seq.

SECTION 341. Arkansas Code § 27-23-118(b)(2), concerning the distribution of fees collected for driving record information furnished to an employer or prospective employer under the Arkansas Uniform Commercial Driver License Act, is amended to read as follows:

(2) The remaining six dollars ($6.00) of the fee shall be deposited to the credit of the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund for distribution as provided in

the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.

SECTION 342. Arkansas Code § 27-23-118(c)(2), concerning the distribution of fees collected for driving record information furnished to persons other than a driver license administrator, employer, or prospective employer under the Arkansas Uniform Commercial Driver License Act, is amended to read as follows:

(2) Six dollars ($6.00) of the fee shall be deposited to the credit of the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund for distribution as provided in the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.; and

SECTION 343. Arkansas Code § 27-35-210(g)(3), concerning the duties of agencies with respect to permits for special cargoes, is amended to read as follows:

(3) To transmit the fees to the Treasurer of State to be credited to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

SECTION 344. Arkansas Code § 27-35-211 is amended to read as follows:

27-35-211. Disposition of fees and penalties.

All fees and penalties collected under the provisions of §§ 27-35-202 and 27-35-210 shall be remitted by the tenth day of each month to the Administration of Justice Funds Section on a form provided by that section for deposit into the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

SECTION 345. Arkansas Code § 27-35-308(b), concerning the disposition of fees related to manufactured homes and houses, is amended to read as follows:

(b) The net amount shall be credited to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund, there to be used for the operation and maintenance of the Arkansas Highway Police Division of the Arkansas Department of Transportation.

SECTION 346. Arkansas Code § 27-50-912(f)(2), concerning fees for

insureds monitored under the driver monitoring program, is amended to read as follows:

(2) The Office of Driver Services shall authorize that one cent (1¢) of the revenues from subdivision (f)(1) of this section shall be special revenues and deposited into the State Treasury to the credit of the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund for distribution as provided in the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.

SECTION 347. Arkansas Code § 27-64-203(5)(B), concerning the revenues included in the definition of "designated revenues" used under the Arkansas Highway Financing Act of 1999, is amended to read as follows:

(B) Revenues derived from the increase in taxes levied on distillate special fuels pursuant to § 26-56-201 and transferred to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund pursuant to § 27-70-207(d) in accordance with §§ 26-56-201 and 26-55-1006; and

SECTION 348. Arkansas Code § 27-64-206(b)(2)(B), concerning elections on the approval of bonds under the Arkansas Highway Financing Act of 1999, is amended to read as follows:

(B) The bonds shall be general obligations of the State of Arkansas, payable from certain designated revenues and also secured by the full faith and credit of the State of Arkansas, including its general revenues. Pursuant to this subchapter, the "Bond Act", the bonds will be repaid first from revenues derived from federal highway assistance funding allocated to the State of Arkansas designated as federal highway interstate maintenance funds, and, if needed, that portion of national highway system funds authorized by State Highway Commission Minute Order 98-214 adopted September 22, 1998, and, second, from revenue derived from the increase in the excise tax levied on distillate special fuels and diesel pursuant to § 26-56-201(e) and transferred to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation pursuant to § 27-70-207(d) in accordance with § 26-56-201(f) and § 26-55-1006(d). To the extent that designated revenues are insufficient to make timely payment of debt service on the bonds, such payment shall be made from the general revenues of the

State of Arkansas. The bonds shall be issued pursuant to the authority of and the terms set forth in this subchapter.

SECTION 349. Arkansas Code § 27-64-206(b)(2)(D), concerning elections on the approval of bonds under the Arkansas Highway Financing Act of 1999, is amended to read as follows:

(D) Pursuant to this subchapter, "designated revenues" are defined as that portion designated by the commission of all funds received or to be received from the United States Government as federal highway interstate maintenance funds, and, if needed, that portion of national highway system funds authorized by State Highway Commission Minute Order 98-214 adopted September 22, 1998, and revenues derived from the increase in taxes levied on distillate special fuels pursuant to § 26-56-201(e) and transferred to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund pursuant to § 27-70-207(d) in accordance with § 26-56-201(f) and § 26-55-1006(d). Designated revenues shall not include the revenues derived from the increase in tax on motor fuel, gasoline, resulting from the Arkansas Distillate Special Fuel Excise Tax Act of 1999 and the Motor Fuel Excise Tax Act of 1999, §§ 26-55-1005, 26-55-1006, 26-56-201, and 27-72-305. The bonds are further secured by the full faith and credit of the State of Arkansas, and to the extent that designated revenues are insufficient to make timely payment of debt service on the bonds, the general revenues of the state shall be used to pay debt service on the bonds. Pursuant to § 26-56-201, the excise tax on distillate special fuels, in addition to the taxes levied pursuant to §§ 26-56-201, 26-56-502, and 26-56-601, will increase by two cents (2¢) per gallon on April 1, 1999, and the additional tax levied by § 26-56-201(e) shall increase to four cents (4¢) per gallon on the first anniversary of such date.

SECTION 350. Arkansas Code § 27-64-211(a)(2)(B), concerning sources of repayment for general obligation bonds issued under the Arkansas Highway Financing Act of 1999, is amended to read as follows:

(B) Revenues derived from the increase in taxes levied on distillate special fuels pursuant to § 26-56-201 and transferred to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund pursuant to § 27-70-207(d) in accordance with § 26-55-1006(d) and § 26-

56-201(f).

SECTION 351. Arkansas Code § 27-64-405(b), concerning elections on the approval of bonds under the Arkansas Interstate Highway Financing Act of 2007, is amended to read as follows:

(b) The notice of election shall state that the election is to be held for the purpose of submitting to the people the following proposition in substantially the form set forth in this subsection:

"Authorizing the State Highway Commission to issue State of Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds (the 'Bonds') from time to time provided that the total principal amount outstanding from the issuance of such bonds, together with the total principal amount outstanding from the issuance of bonds pursuant to the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., shall not, at any time, exceed five hundred seventy-five million dollars ($575,000,000). If approved, the bonds will be issued in one (1) or more series of various principal amounts with the last series being issued no later than December 31, 2015. The bonds shall be issued for the purpose of paying the cost of constructing and renovating improvements to interstate highways and related facilities in the State of Arkansas.

"The bonds shall be general obligations of the State of Arkansas, payable from certain designated revenues and also secured by the full faith and credit of the State of Arkansas, including its general revenues. Pursuant to the Arkansas Interstate Highway Financing Act of 2007 (the 'Bond Act'), § 27-64-401 et seq., the bonds will be repaid first from: (1) revenues derived from federal highway assistance funding allocated to the State of Arkansas designated as federal highway interstate maintenance funds, and (2) revenue derived from the increase in the excise tax levied on distillate special fuels (diesel) pursuant to § 26-56-201(e) and transferred to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund pursuant to § 27-70-207(d) in accordance with § 26-55-1006(d). To the extent that designated revenues are insufficient to make timely payment of debt service on the bonds, such payment shall be made from the general revenues of the State of Arkansas. The bonds shall be issued pursuant to the authority of and the terms set forth in the Bond Act, § 27-64-401 et seq.

"Pursuant to the Bond Act, § 27-64-401 et seq., the highway

improvements to be financed are limited to the restoration and improvements to all of the interstate highway system within the state, including roadways, bridges, or rights-of-way under jurisdiction of the State Highway Commission, which shall also include the acquisition, construction, reconstruction, and renovation of such interstate highway system and facilities appurtenant or pertaining thereto.

"Pursuant to the Bond Act, § 27-64-401 et seq., 'designated revenues' are defined as: (1) that portion designated by the commission of all funds received or to be received from the federal government as federal highway interstate maintenance funds, and (2) revenues derived from the increase in taxes levied on distillate special fuels pursuant to § 26-56-201(e) and transferred to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund pursuant to Arkansas Code § 27-70-207(d) in accordance with § 26-55-1006(d). Designated revenues shall not include the revenues derived from the increase in tax on motor fuel (gasoline) resulting from the 'Arkansas Distillate Special Fuel Excise Tax Act of 1999' and the 'Motor Fuel Excise Tax Act of 1999', §§ 26-55-1005, 26-55-1006, 26-56-201, and 27-72-305. The bonds are further secured by the full faith and credit of the State of Arkansas, and to the extent 'designated revenues' are insufficient to make timely payment of debt service on the bonds, the general revenues of the state shall be used to pay debt service on the bonds."

SECTION 352. Arkansas Code § 27-64-410(b)(2), concerning the sources of repayment for State of Arkansas Federal Grant Anticipation and Tax Revenue Bonds or GARVEE bonds under the Arkansas Interstate Highway Financing Act of 2007, is amended to read as follows:

(2) Revenues derived from the increase in taxes levied on distillate special fuels pursuant to § 2 of the Arkansas Distillate Special Fuel Excise Tax Act of 1999 and the Motor Fuel Excise Tax Act of 1999, §§ 26-55-1005, 26-55-1006, 26-56-201, and 27-72-305, and transferred to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund pursuant to § 27-70-207(d) in accordance with § 26-55-1006(d).

SECTION 353. Arkansas Code § 27-65-107(a)(18)(A)(i), concerning the powers and duties of the State Highway Commission to propose and submit certain rules, is amended to read as follows:

(i) Criteria for distribution of funds and the distribution of funds from the:

(a) ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund; and

(b) Road and Bridge Repair, Maintenance, and Grants Fund;

SECTION 354. Arkansas Code § 27-65-112(e), concerning acceptance of federal aid by the State Highway Commission, is amended to read as follows:

(e) Any and all moneys so received shall be credited to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

SECTION 355. Arkansas Code § 27-65-131(c), concerning bonds furnished by suppliers and employees of the State Highway Commission, is amended to read as follows:

(c) All bonds required by this act of officials or employees of the commission or required by the commission of its employees shall be executed by a solvent surety company authorized to do business in the state and approved by the commission and filed with the Secretary of State, and the premium shall be paid out of the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund. The commission may itself take surety bonds on any or all employees and pay the premium thereon.

SECTION 356. Arkansas Code § 27-66-601(d), concerning state inmates working on roads, is amended to read as follows:

(d) The pay of the wardens or other officers and the cost of maintenance, including clothing, food, and housing for the state inmates while working on roads shall be paid out of the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

SECTION 357. Arkansas Code § 27-67-206(i), concerning the construction of roads of the state highway system, is amended to read as follows:

(i) The commission may let contracts for the construction of necessary bridges on the state highways to be paid for out of the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

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

remaining to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund to be set aside in a special account therein to be known as the State Highway Special Construction Account to be used solely and exclusively by the State Highway Commission:

(1) For construction of roads and highways on the state highway system; and

(2) To provide funds for transfer to the State Aid Road Fund as may be provided by law.

SECTION 362. Arkansas Code §§ 27-70-204 and 27-20-205 are amended to read as follows:

27-70-204. Interest on funds of Arkansas Department of Transportation.

(a) On the second business day that the State Treasury is open after the twenty-fifth day of the month, the Treasurer of State shall compute the balance of the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund, including all internal accounts and funds, including, but not limited to, the State Highway Special Construction Account, the State Aid Road Fund, the State Aid Street Fund, the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund, and any other funds administered by the Arkansas Department of Transportation during the preceding month and shall transfer on that day to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund interest on the balance to be computed as authorized under § ~~19-3-518(d)(4)~~ 19-3-318(d)(4), excluding the interest rate paid on open account deposits, during the preceding month.

(b)(1) Except as provided in subdivision (b)(2) of this section, interest earned on the accounts described in subsection (a) of this section shall be classified as special revenues to be used as authorized under § ~~19-6-405~~ 19-43-204.

(2) Interest income generated from the Arkansas Four-Lane Highway Construction and Improvement Bond Account shall be distributed as required under § 27-70-206.

27-70-205. Federal Revenue Sharing State Highway Trust Fund Account.

Commencing with the federal funds received by the State of Arkansas under the provisions of the State and Local Fiscal Assistance Act of 1972,

Pub. L. No. 92-512, as amended, commonly and hereinafter referred to as "federal revenue-sharing funds", all federal revenue sharing funds received each fiscal year by the State of Arkansas for the use and benefit of the State of Arkansas shall be transferred to and allocated to a special trust fund to be established in the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund, to be known as the Federal Revenue Sharing State Highway Trust Fund Account, to be set aside and used by the State Highway Commission solely and exclusively for construction of highways on the state highway system and the state aid street system. All funds shall be administered and the controls and accounting thereof shall be in accordance with the provisions of the State and Local Fiscal Assistance Act of 1972, Pub. L. No. 92-512, as amended, and all regulations promulgated thereunder, and in accordance with the laws of this state governing the advertising and awarding contracts for, and payment of, construction contracts to be awarded by the commission.

SECTION 363. Arkansas Code § 27-70-206(1), concerning the distribution of highway revenues to state funds, is amended to read as follows:

(1) First, except as provided by § ~~19-5-207~~ 19-21-107, three percent (3%) of the amount thereof to the Constitutional Officers Fund and the State Central Services Fund, there to be used for the purposes specified for each fund by the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.;

SECTION 364. Arkansas Code § 27-70-206(3), concerning the distribution of highway revenues to state funds, is amended to read as follows:

(3) After meeting the requirements set out in subdivisions (1) and (2) of this section, all remaining highway revenues which are available for distribution during each fiscal year shall be transferred in the following manner: Fifteen percent (15%) of the amount thereof to the County Aid Fund; fifteen percent (15%) of the amount thereof to the Municipal Aid Fund; and seventy percent (70%) of the amount thereof to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund.

SECTION 365. Arkansas Code § 27-70-207(d)(1), concerning the distribution of highway revenues to county and city funds, is amended to read as follows:

(d)(1) All highway revenues transferred to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund under the provisions of this subchapter shall be used for the construction, reconstruction, and maintenance of highways and bridges in the state highway system.

SECTION 366. Arkansas Code § 27-70-207(d)(2)(A), concerning the distribution of highway revenues to county and city funds, is amended to read as follows:

(2)(A) However, the Arkansas Department of Transportation may use highway revenues transferred to the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation for the installation, upgrading, or improvement of any highway-railroad crossing safety device, railroad crossing traffic control device, warning lights, crossing gates, or other railroad crossing safety devices at public highway railroad crossings and for the construction, reconstruction, and maintenance of any highway-railroad crossing, including the construction or installation of any underpasses or overpasses.

SECTION 367. Arkansas Code § 27-72-305(a)(1), concerning the State Aid Road Fund, is amended to read as follows:

(a)(1) There is created in the State Treasury a fund to be known as the State Aid Road Fund, to which the Treasurer of State shall transfer one hundred percent (100%) of the revenues credited to the State Highway Special Construction Account of the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund each month until an aggregate total of thirteen million dollars ($13,000,000) each fiscal year is so transferred, there to be used for construction, reconstruction, and improvements of the state aid road system.

SECTION 368. Arkansas Code § 27-72-318(c), concerning county highway revenue estimates, is amended to read as follows:

(c) In addition to the estimate of the total amounts of county road funds by legislated source categories to be collected and apportioned, the Chief Fiscal Officer of the State shall incorporate in each official estimate a listing of all counties and an estimate of the amount of county road funds

by legislated source category to be credited to each county under the current provisions of the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 369. Arkansas Code § 27-72-319(a), concerning advance transfers from the County Road Construction and Maintenance Revolving Fund, is amended to read as follows:

(a) Moneys at any time in the County Road Construction and Maintenance Revolving Fund shall be available to the Chief Fiscal Officer of the State only for the purposes of making advance transfers to the several county highway funds, state aid road funds, federal-aid secondary road funds, and all other provisions of county road construction assistance which may be enacted by the General Assembly and governed by the Revenue Stabilization Law, § ~~19-5-101~~ 19-20-101 et seq.

SECTION 370. Arkansas Code § 27-89-305 is amended to read as follows:

27-89-305. Use of state funds — Appropriation necessary for construction funds.

The State Highway Commission is authorized to use moneys appropriated for the operation of the Arkansas Department of Transportation for payment of the State of Arkansas's pro rata share of the administrative costs of the compact authority, but shall have no authority to authorize, or contract for, the use of moneys in the ~~State Highway and Transportation Department~~ Arkansas Department of Transportation Fund for the construction of the Arkansas-Mississippi Great River Bridge, except upon specific authorization and appropriation thereof by the General Assembly.

SECTION 371. Arkansas Code § 27-101-1004(d)(2)(A), concerning application for a certificate of title, is amended to read as follows:

(2)(A) The Treasurer of State shall deduct a percentage of the gross amount of the certificate of title application fee collected under subdivision (c)(1) of this section for the benefit of the Constitutional Officers Fund and the State Central Services Fund as required in §§ ~~19-5-202 and 19-5-203~~ 19-21-102 and 19-21-103.

SECTION 372. Arkansas Code § 27-101-1005(d)(2)(A), concerning lost or damaged certificates of title, is amended to read as follows:

(2)(A) A percentage of the gross amount thereof shall be deducted by the Treasurer of State for the benefit of the Constitutional Officers Fund and the State Central Services Fund as required in §§ ~~19-5-202 and 19-5-203~~ 19-21-102 and 19-21-103.

SECTION 373. DO NOT CODIFY. Construction.

(a) The enactment and adoption of this act shall not expressly or impliedly repeal an act passed during the regular session of the Ninety-Fifth General Assembly.

(b) To the extent that a conflict exists between an act of the regular session of the Ninety-Fifth General Assembly and this act:

(1) The act of the regular session of the Ninety-Fifth General Assembly shall be treated as a subsequent act passed by the General Assembly for the purposes of:

(A) Giving the act of the regular session of the Ninety-Fifth General Assembly its full force and effect; and

(B) Amending or repealing the appropriate parts of the Arkansas Code of 1987; and

(2) Section 1-2-107 shall not apply.

SECTION 374. DO NOT CODIFY. Incorporation of legislation into recodified Arkansas Code, Title 19 and related amendments.

(a) For purposes of incorporation into the recodified Arkansas Code, Title 19, created by this act and related amendments to the Arkansas Code made in connection with the recodification of Arkansas Code, Title 19, all references in the acts passed at the regular session of the Ninety-Fifth General Assembly to Arkansas Code, Title 19, or to provisions of the Arkansas Code amended by this act in connection with the recodification of Arkansas Code, Title 19, shall be deemed to refer to the applicable or corresponding provisions contained in the recodified Arkansas Code, Title 19 and related amendments to the Arkansas Code made in connection with the recodification of Arkansas Code, Title 19.

(b) The Bureau of Legislative Research, while assisting the Arkansas Code Revision Commission with the commission's powers and duties, shall:

(1) Incorporate acts passed in the regular session of the Ninety-Fifth General Assembly amending Arkansas Code, Title 19, or to

provisions of the Arkansas Code amended by this act in connection with the recodification of Arkansas Code, Title 19, into the appropriate provisions of the Arkansas Code so long as those revisions do not result in a change in the substance or meaning of a provision of the act; and

(2) Make technical changes to the Arkansas Code necessary to implement this act, including without limitation changes to citations in the Arkansas Code referencing provisions of Arkansas law amended by this act.

SECTION 375. DO NOT CODIFY. Technical revisions to Code of Arkansas Rules.

The General Assembly finds that:

(1) As a result of the recodification of Title 19 and other amendments to the Arkansas Code under this act, multiple statutory references to Title 19 or other provisions of Arkansas law in the Code of Arkansas Rules will be incorrect and require revision to reflect the changes implemented by this act; and

(2) It is the intent of the General Assembly that these provisions of the Code of Arkansas Rules be updated by the Bureau of Legislative Research as part of its maintenance of the Code of Arkansas Rules.

(b) The bureau shall update statutory references to Title 19 or other provisions of Arkansas law in the Code of Arkansas Rules to reflect the proper citations under this act.

(c) Any person or state entity identifying one (1) or more citations contained in the Code of Arkansas Rules that require revision to implement this act may notify the Director of the Bureau of Legislative Research or his or her designee of the citations at issue.

SECTION 376. DO NOT CODIFY. Correction of technical errors related to implementation of recodification of Arkansas Code, Title 19.

(a)(1) The General Assembly finds that:

(A) The implementation of this act involves a multitude of changes to existing Arkansas law;

(B) Many of the changes implemented by this act are highly technical and require careful study of the purpose and context of each Arkansas Code section, with the need for some of the changes not becoming

apparent until after the implementation of this act;

(C) When implementing revisions as large and comprehensive as the changes under this act, it is inevitable that certain sections of the Arkansas Code requiring technical changes to follow the intent of this act will be either omitted or amended in a manner that is later found to be erroneous and unintentional;

(D) It is likewise inevitable that other acts enacted by the Ninety-Fifth General Assembly will not take into account the changes in this act, resulting in technical inconsistencies between newly passed laws; and

(E) If the correct statutory change to remedy an unintentional error or an inconsistency between this act and another act of the Ninety-Fifth General Assembly is readily apparent and consistent with the intent of this act, the unintentional error or inconsistency should be corrected as part of the codification process due to the technical nature of the unintentional error or inconsistency.

(2) It is the intent of the General Assembly to empower the Arkansas Code Revision Commission to correct technical errors identified in the Arkansas Code during the implementation of this act to allow this act to be fully implemented.

(b)(1)(A) Any person or state entity identifying one (1) or more sections of the Arkansas Code that require revision to implement the intent of this act may notify the Director of the Bureau of Legislative Research or his or her designee of the section or sections at issue.

(B) If the Bureau of Legislative Research, while assisting the commission with the commission's powers and duties, becomes aware of one (1) or more sections of the Arkansas Code that require revision to implement the intent of this act for which it appears that the bureau and the commission do not have authority to make the necessary revision under § 1-2-303(d), the bureau may notify the commission of the section or sections at issue.

(2) If the commission determines that the revision necessary to one (1) or more sections of the Arkansas Code under subdivision (b)(1) of this section is technical in nature, germane to the intent of this act, and consistent with this act's policy and purposes, the commission may make the revision to the Arkansas Code.

(3) The commission shall notify the publisher of the Arkansas Code of a revision to the Arkansas Code under subdivision (b)(2) of this section as soon as possible so that the revision may be reflected in the official hard copy version of the Arkansas Code and the official electronic version of the Arkansas Code.

(4)(A) Except as provided in subdivision (b)(4)(B) of this section, when the commission approves a revision to the Arkansas Code under subdivision (b)(2) of this section, the commission shall notify the following of the revision within thirty (30) days:

(i) The Speaker of the House of Representatives;

(ii) The President Pro Tempore of the Senate; and

(iii) The Legislative Council.

(B) The commission is not required to make a notification under subdivision (b)(4)(A) of this section if the revision is made under § 1-2-303(d).

(c) The authority granted to the commission under this section is supplemental to the commission's authority under § 1-2-303.

(d) This section shall expire on December 31, 2026.

/s/M. Shepherd

APPROVED: 3/25/25