

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
89th General Assembly  
Fiscal Session, 2014

As Engrossed: H2/19/14  
**A Bill**

HOUSE BILL 1114

By: Joint Budget Committee

**For An Act To Be Entitled**

AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES  
AND OPERATING EXPENSES FOR THE STATE SECURITIES  
DEPARTMENT FOR THE FISCAL YEAR ENDING JUNE 30, 2015;  
AND FOR OTHER PURPOSES.

**Subtitle**

AN ACT FOR THE STATE SECURITIES  
DEPARTMENT APPROPRIATION FOR THE 2014-  
2015 FISCAL YEAR.

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

SECTION 1. REGULAR SALARIES - OPERATIONS. There is hereby established for the State Securities Department for the 2014-2015 fiscal year, the following maximum number of regular employees.

Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2014-2015
(1)	U040U	SECURITIES COMMISSIONER	1	\$104,936
(2)	N137N	SECURITIES DEPUTY COMMISSIONER	2	GRADE N902
(3)	G025C	ATTORNEY SUPERVISOR	1	GRADE C127
(4)	G047C	ATTORNEY SPECIALIST	6	GRADE C126
(5)	X008C	SECURITIES CHIEF EXAMINER	2	GRADE C126
(6)	X015C	SECURITIES EXAMINER SUPERVISOR	3	GRADE C124
(7)	X032C	SENIOR SECURITIES EXAMINER	10	GRADE C122



(8)	A052C	ACCOUNTING COORDINATOR	1	GRADE C121
(9)	D051C	SYSTEMS APPLICATIONS SUPERVISOR	1	GRADE C121
(10)	X061C	SECURITIES EXAMINER	5	GRADE C119
(11)	C037C	ADMINISTRATIVE ANALYST	1	GRADE C115
(12)	C046C	LEGAL SUPPORT SPECIALIST	2	GRADE C113
(13)	C056C	ADMINISTRATIVE SPECIALIST III	3	GRADE C112
(14)	A098C	FISCAL SUPPORT SPECIALIST	<u>1</u>	GRADE C112
		MAX. NO. OF EMPLOYEES	39	

SECTION 2. EXTRA HELP - OPERATIONS. There is hereby authorized, for the State Securities Department for the 2014-2015 fiscal year, the following maximum number of part-time or temporary employees, to be known as "Extra Help", payable from funds appropriated herein for such purposes: two (2) temporary or part-time employees, when needed, at rates of pay not to exceed those provided in the Uniform Classification and Compensation Act, or its successor, or this act for the appropriate classification.

SECTION 3. APPROPRIATION - OPERATIONS. There is hereby appropriated, to the State Securities Department, to be payable from the Securities Department Fund, for personal services and operating expenses of the State Securities Department for the fiscal year ending June 30, 2015, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2014-2015</u>
(01) REGULAR SALARIES	\$2,015,118
(02) EXTRA HELP	16,000
(03) PERSONAL SERVICES MATCHING	635,123
(04) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	447,160
(B) CONF. & TRAVEL	30,000
(C) PROF. FEES	14,484
(D) CAP. OUTLAY	13,500
(E) DATA PROC.	0
(05) CONTINGENCY	200,000
(06) EXAMINATION TRAVEL	<u>20,000</u>

TOTAL AMOUNT APPROPRIATED \$3,391,385

SECTION 4. APPROPRIATION - REFUNDS AND REIMBURSEMENTS. There is hereby appropriated, to the State Securities Department, to be payable from cash funds as defined by Arkansas Code 19-4-801 of the State Securities Department, for refunds and reimbursements of the State Securities Department for the fiscal year ending June 30, 2015, the following:

ITEM NO.	FISCAL YEAR 2014-2015
(01) REFUNDS/REIMBURSEMENTS	<u>\$500,000</u>

SECTION 5. APPROPRIATION - INVESTOR EDUCATION. There is hereby appropriated, to the State Securities Department, to be payable from the Investor Education Fund, for operating expenses, promotional items and grants of the State Securities Department for the fiscal year ending June 30, 2015, the following:

ITEM NO.	FISCAL YEAR 2014-2015
(01) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	\$36,000
(B) CONF. & TRAVEL	0
(C) PROF. FEES	0
(D) CAP. OUTLAY	0
(E) DATA PROC.	0
(02) PROMOTIONAL ITEMS	7,500
(03) INVESTOR EDUCATION GRANTS	<u>70,000</u>
TOTAL AMOUNT APPROPRIATED	<u>\$113,500</u>

SECTION 6. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. CONTINGENCY RESTRICTION. In the event additional appropriations become necessary that are not authorized or contemplated in Section 3 of this Act and specific cases, situations, and/or programs make it necessary that the State Securities Department receives additional appropriations to carry out

the objectives of the agency, the Securities Commissioner is hereby authorized to request the approval of the Governor, the Chief Fiscal Officer of the State and prior approval by the Arkansas Legislative Council or Joint Budget Committee for transfers of the appropriations provided in the Contingency line item of Section 3 of this Act to other line items within Section 3. In no event shall the transfers in any fiscal year exceed the appropriations provided in the Contingency line item of Section 3 of this Act. The Governor may approve or modify such request for transfer of appropriations as in his judgment he deems necessary, and shall inform the Chief Fiscal Officer of the State and receive review and prior approval by the Arkansas Legislative Council or Joint Budget Committee. Upon notification, the Chief Fiscal Officer of the State shall direct the State Auditor to process said transfer upon his books in accordance with the provisions as set out herein.

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(s) for a state agency and the general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization law. Further, the General Assembly has determined that the Securities Department may operate more efficiently if some flexibility is provided to the Securities Department authorizing broad powers under 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 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.

The provisions of this section shall be in effect only from July 1, ~~2013~~ 2014 through June 30, ~~2014~~ 2015.

*SECTION 7. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. QUARTERLY REPORTS. The Securities Department shall on a quarterly basis provide to the*

Arkansas Legislative Council or Joint Budget committee a report of all funds received or any external fund transactions recognized or required through court orders or settlement agreements. The report shall include:

- a) The case name of the court order or settlement agreement.
- b) The amount of funds received or transaction recognized or required by the Securities Department for each court order or settlement agreement.
- c) A plan for disbursement of the received funds. If funds received from a court order or settlement agreement are expended for any purpose, including investor education and enforcement activities, the report must itemize specific activities subject to the exclusions provided in Ark. Code Ann. 25-1-403(1)(B). The report shall also itemize the specific investor education and enforcement activities funded for the Securities Department.
- d) An explanation of whether the funds received or transactions recognized or required from a court order or settlement are directed to a specific entity, and if so, the Securities Department shall provide a summary of input regarding the drafting of the court order or settlement agreement.
- e) A report of the rationale for disbursing funds to a specific entity if the Securities Department receives funds from a court order or settlement agreement that does not require disbursement of funds to a specific entity.
- f) A report of current balances of all unappropriated fund holdings received by court order or settlement agreement by the Securities Department.
- g) The quarterly reports shall be provided no later than the 15<sup>th</sup> day of the month immediately following the end of each quarter.

The provisions of this section shall be in effect only from July 1, 2014 through June 30, 2015.

SECTION 8. COMPLIANCE WITH OTHER LAWS. Disbursement of funds authorized by this act shall be limited to the appropriation for such agency and funds made available by law for the support of such appropriations; and the restrictions of the State Procurement Law, the General Accounting and Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary Procedures and Restrictions Act, or their successors, and other fiscal control laws of this State, where applicable, and regulations promulgated by the Department of Finance and Administration, as authorized by law, shall be strictly complied with in disbursement of said funds.

SECTION 9. LEGISLATIVE INTENT. It is the intent of the General Assembly that any funds disbursed under the authority of the appropriations contained in this act shall be in compliance with the stated reasons for which this act was adopted, as evidenced by the Agency Requests, Executive Recommendations and Legislative Recommendations contained in the budget manuals prepared by the Department of Finance and Administration, letters, or summarized oral testimony in the official minutes of the Arkansas Legislative Council or Joint Budget Committee which relate to its passage and adoption.

SECTION 10. EMERGENCY CLAUSE. It is found and determined by the General Assembly, that the Constitution of the State of Arkansas prohibits the appropriation of funds for more than a one (1) year period; that the effectiveness of this Act on July 1, 2014 is essential to the operation of the agency for which the appropriations in this Act are provided, and that in the event of an extension of the legislative session, the delay in the effective date of this Act beyond July 1, 2014 could work irreparable harm upon the proper administration and provision of essential governmental programs. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 2014.

*/s/ Joint Budget Committee*