

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

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

HOUSE BILL 2068

By: Representative Hammer

For An Act To Be Entitled

AN ACT TO RETURN EXCESS FEDERAL GRANT FUNDS TO THE UNITED STATES GOVERNMENT; TO ENCOURAGE RELIEF OF THE NATIONAL DEBT OF THE UNITED STATES; AND FOR OTHER PURPOSES.

Subtitle

TO RETURN EXCESS FEDERAL GRANT FUNDS TO THE UNITED STATES GOVERNMENT; AND TO ENCOURAGE RELIEF OF THE NATIONAL DEBT OF THE UNITED STATES.

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

SECTION 1. DO NOT CODIFY. Legislative findings and determination.
The General Assembly finds and determines that:

(1) The national debt of the United States amounts to trillions of dollars and it continues to increase;

(2) The State of Arkansas, along with the other states, contributes to the national debt;

(3) To help reduce the national debt, it would be prudent for the state to return to the United States Government unused federal grant funds received by a state agency; and

(4) By creating a mechanism to return unused federal grant funds to the United States Government, the State of Arkansas will encourage action by the United States Government and other states to allow for the return of unused federal grant funds to reduce the national debt.



SECTION 2. Arkansas Code Title 19, Chapter 7, Subchapter 1, is amended to add an additional section to read as follows:

19-7-104. Excess federal grant funds – Definitions.

(a) As used in this section:

(1) "Federal grant funds" means financial aid available to a state agency from the United States Government that is not classified as a block grant;

(2) "National debt" means the amount owed by the United States Government, including the obligations held by the public and by United States Government accounts or intragovernmental holdings; and

(3) "State agency" means an agency, authority, board, bureau, commission, council, department, office, or officer of the state that receives an appropriation by the General Assembly, including without limitation a state-supported institution of higher education.

(b)(1) A state agency that receives federal grant funds shall annually self-report to the Office of State-Federal Relations the amount of federal grant funds the state agency received but did not use.

(2) Of the unused federal grant funds reported under subdivision (b)(1) of this section, the state agency:

(A) Shall return fifty-percent (50%) of the federal grant funds to the United States Government to be used by the United States Government to relieve the national debt; and

(B) May retain fifty-percent (50%) of the excess funds to be used for any purpose within the powers of the state agency as a reward for the efficient use of the federal grant funds.

(c) Unused federal grant funds designated for return to the United States Government under subsection (b) of this section shall be:

(1) Deposited into the Office of State-Federal Relations Fund;
and

(2) Upon the effective date of this act, administered by the office.

SECTION 3. Arkansas Code § 19-7-203(1), concerning the duties of the Office of State-Federal Relations, is amended to add additional subdivisions to read as follows:

(D) Obtain annual state agency reports of unused federal

grant funds under § 19-7-104; and

(E) Deposit unused federal grant funds under subdivision (1)(D) of this section into the Office of State-Federal Relations Fund.

SECTION 4. DO NOT CODIFY. EFFECTIVE DATE. This act shall become effective upon action by the United States Government that permits the use and return of federal grant funds in this manner