

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

SENATE BILL 292

By: Senator Maloch
By: Representative Lundstrum

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE TRANSFER AND INVESTMENT AUTHORITY AND DUTIES OF THE TREASURER OF STATE; TO AMEND THE STATE TREASURY MANAGEMENT LAW; TO AMEND THE TIME REQUIREMENTS APPLICABLE TO CERTAIN TRANSFERS OF STATE FUNDS BY THE TREASURER OF STATE; TO AMEND THE SECURITIES RESERVE FUND; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING THE TRANSFER AND INVESTMENT DUTIES OF THE TREASURER OF STATE; TO AMEND THE TIME REQUIREMENTS APPLICABLE TO CERTAIN TRANSFERS OF STATE FUNDS; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. 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 ~~first day of business~~ second business day that the State Treasury is open after the twenty-fifth day of the month compute the ~~average daily~~ 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 ~~average daily~~ balances to be computed ~~at a rate equivalent to the average rate of interest earned on all~~



~~State Treasury funds invested as authorized under § 19-3-518(d)(4).~~

SECTION 2. Arkansas Code § 19-3-518(b)(1)(B)(xii), concerning investments of state funds in the State Treasury in securities and bank certificates of deposit, is amended to read as follows:

(xii) Repurchase agreements that are fully collateralized by ~~direct obligations of the United States Government or the general obligations of a state or political subdivision of a state of the United States~~ 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;

SECTION 3. Arkansas Code § 19-3-518(d)(4), concerning investments of state funds in the State Treasury in securities and bank certificates of deposit, is amended to read as follows:

(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 first day of business of the second business day that the State Treasury is open after the twenty-fifth day of the month, the Treasurer of State shall:

~~(A) Compute the average daily balance of the interest-bearing fund, including all internal accounts and funds, during the preceding month; and~~

~~(B) Transfer~~ transfer to the participants of the fund ~~interest on the average daily balance computed at a rate equivalent to the average rate of interest earned on all State Treasury funds invested in fixed income securities and in money market accounts as authorized under this section~~ during the preceding month less the proportionate share of any assessments for the expenses of administration.

SECTION 4. Arkansas Code § 19-3-521(c)(2), concerning the Securities Reserve Fund, is amended to read as follows:

(2) Interest to be transferred shall be a pro rata share of total earned interest based on the proportion of the ~~average daily~~ 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 ~~average-daily~~ balances of all investments of the State Treasury.

SECTION 5. Arkansas Code § 19-5-905(a)(7), concerning the Securities Reserve Fund, is amended to read as follows:

(7) To distribute:

(A) Interest income earned on investment of ~~average-daily~~ balances of the following:

(i) The State Highway and Transportation Department 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 § 19-3-518(d); and

(iv) State and Local Fiscal Assistance Act of 1972, 31 U.S.C. § 6701 et seq., as authorized by § 19-3-521(c); and

(B) Interest income earned from investment of ~~average-daily~~ State Treasury balances by any other laws enacted by the General Assembly;

SECTION 6. Arkansas Code § 19-11-301(107), concerning the enumeration of special revenues, is amended to read as follows:

(107) Transfers from the Securities Reserve Fund of interest earned on the ~~average-daily~~ balance of the State Highway and Transportation Department Fund, including all internal accounts and funds thereof, as enacted by Acts 1979, No. 438, § 27-70-204, and all laws amendatory thereto;

SECTION 7. Arkansas Code § 27-70-204(a), concerning interest on state highway department funds, is amended to read as follows:

(a) On the ~~first day of business~~ second business day that the State Treasury is open after the twenty-fifth day of the month, the Treasurer of State shall compute the ~~average-daily~~ balance of the State Highway and Transportation Department 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 Fund, and any other funds administered by the Arkansas State Highway and Transportation Department during the preceding month and shall transfer on that day to the State Highway and Transportation Department Fund interest on the ~~average daily~~ balance to be computed ~~at a rate equivalent to the average rate of interest earned on all State Treasury funds invested~~ as authorized under § 19-3-518(d)(4), excluding the interest rate paid on open account deposits, during the preceding month.

SECTION 8. EMERGENCY CLAUSE. It is found and determined by the General Assembly that this act amends the investment and transfer authority of the Treasurer of State; that this act affects the ability of the Treasurer of State to invest and transfer state funds; and that this act should become effective as soon as possible to allow for implementation of the new provisions to benefit the State of Arkansas. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2017.