

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

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

SENATE BILL 633

By: Senator J. Bryant
By: Representative Jean

For An Act To Be Entitled

AN ACT TO PROVIDE FUNDING FOR THE CORRECTIONAL FACILITIES SET-ASIDE; TO PROVIDE FOR THE TRANSFER OF FUNDS FROM THE SECURITIES RESERVE FUND; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE FUNDING FOR THE CORRECTIONAL FACILITIES SET-ASIDE; TO PROVIDE FOR THE TRANSFER OF FUNDS FROM THE SECURITIES RESERVE FUND; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 19-5-905(a)(12), concerning the uses of the Securities Reserve Fund, is amended to read as follows:

(12) After all distributions and transfers under this section, less one hundred thousand dollars (\$100,000) under § 19-3-521(a)(2), for a transfer by the Chief Fiscal Officer of the State on the last business day of the fiscal year for that fiscal year ~~of the fund balances to the Catastrophe Reserve Fund~~ shall be held in a sub-fund as necessary to be distributed as follows:

(A) On July 1, 2025 or upon the effective date of this Act:

(i) The lesser of the remaining fund balance or one hundred twenty-five million dollars (\$125,000,000) to the Correctional Facilities Set-Aside in the Restricted Reserve Fund; and



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(ii) On September 2, 2025, any remaining fund balance, after the transfers under subdivisions (a)(12)(A)(i) of this section and then any other transfers authorized by the General Assembly, to the General Revenue Allotment Reserve Fund;

(B) On July 1, 2026:

(i) The lesser of the remaining fund balance or forty-five million dollars (\$45,000,000) to the Correctional Facilities Se-Aside in the Restricted Reserve Fund; and

(ii) On July 3, 2026 any remaining fund balance after the transfers under subdivisions (a)(12)(B)(i) of this section, and then any other transfers authorized by the General Assembly, to the General Revenue Allotment Reserve Fund;

(C) On July 2, 2027:

(i) Any remaining fund balance, after any transfers authorized by the General Assembly, to the General Revenue Allotment Reserve Fund; and

(D) For fiscal years beginning on and after July 1, 2028, on the last business day of the fiscal year the remaining fund balance to the General Revenue Allotment Reserve Fund.

SECTION 2. Arkansas Code § 19-5-1004(b), concerning the revenues that make up the General Revenue Allotment Reserve Fund, is amended to read as follows:

(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 § 19-5-202 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, § 19-5-101 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 § 19-6-110 of the year-end fund balances of the funds and fund accounts created in § 19-5-302, except for § 19-5-302(11)(A), and in § 19-5-304(2)--(7) and (10), §§ 19-5-306, 19-5-307, 19-6-404, and 19-6-411, 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.

(3) The remaining fund balance in the Securities Reserve Fund under § 19-5-905(a)(12).

SECTION 3. DO NOT CODIFY. PRISON CONSTRUCTION FUND TRANSFER.

Immediately upon the effective date of this Act, the Chief Fiscal Officer of the State shall transfer on his or her books and those of the State Treasurer and the Auditor of the State the sum of two hundred and fifty million dollars (\$250,000,000) from the General Revenue Allotment Reserve Fund to the Correctional Facilities Set-Aside in the Restricted Reserve Fund, which shall be in addition to existing balances in the Correctional Facilities Set-Aside as established in Section 3(a)(2) of Act 561 of 2023.

SECTION 4. DO NOT CODIFY. PRISON CONSTRUCTION REPORTING REQUIREMENTS.

(a) The Department of Corrections shall report quarterly to the Arkansas Legislative Council or Joint Budget Committee the status of all prison construction activity that will not compromise the security or compromise the integrity of the facility, to include the following:

(1) Projected cost summaries, which shall include budgeted amounts, expenditures, funds balances, projected funding and the source of funds;

(2) Summary of the design of the facility, that may be provided without any risk of a breach of security;

(3) A summary of any contract bidding process related to the construction of the prison;

(4) A summary of any contracts awarded, notice to proceed, methods of finance, grant awards, which shall include contract and grant amount(s), and the amount(s) paid to date;

(5) Schedule of timelines and milestones, which shall include, construction start, construction completion and occupancy;

(6) Summary of the number of beds and style of beds;

(7) Plans for inmate programming at the prison facility;

(8) Projected activity for the next quarter; and

(9) Any other information as requested by the Arkansas Legislative Council or Joint Budget Committee.

(b) The provisions of this section shall be in effect from July 1, 2025 through the completion of the Prison Construction Project.

SECTION 5. DO NOT CODIFY. Conditions and Audit. (a) Transfer of funds from the "Restricted Reserve Fund" shall be made only after the Chief Fiscal Officer of the State has determined that all criteria or pre-conditions established in the appropriation act to receive the transfer have been met and that a Method of Finance has been filed with the Office of Accounting in the Department of Finance and Administration, if required.

(b) Any matching funds as may be provided in law shall be certified to the Chief Fiscal Officer of the State prior to the commencement of the project.

(c) Any recipient of the funds appropriated herein are also subject to an audit by the Arkansas Legislative Audit of the Legislative Joint Auditing Committee in order to determine that the use of the funds was in compliance with the intent and appropriated purposes of the General Assembly.

SECTION 6. 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 upon passage and approval is essential to allow transfers which can provide an additional funding mechanism for the construction and operation of a state prison, as well as to address unforeseen needs, and a delay in its effectiveness could work irreparable harm upon the proper transfer of funds, 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 upon passage and approval. If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto.