

1 State of Arkansas
2 90th General Assembly
3 Third Extraordinary Session, 2016
4

Call Item 2

A Bill

HOUSE BILL 1009

5 By: Representatives Davis, Eaves, Brown, Della Rosa, J. Mayberry, Ballinger, Bell, Cozart, Dotson,
6 Eads, Eubanks, Henderson, House, Lemons, Speaks, Sullivan
7 By: Senator Hester
8

For An Act To Be Entitled

9
10 AN ACT TO CREATE THE ARKANSAS HIGHWAY IMPROVEMENT
11 PLAN OF 2016; TO DECLARE AN EMERGENCY; AND FOR OTHER
12 PURPOSES.
13
14

Subtitle

15
16 TO CREATE THE ARKANSAS HIGHWAY
17 IMPROVEMENT PLAN OF 2016; AND TO DECLARE
18 AN EMERGENCY.
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. DO NOT CODIFY. This act shall be known and may be cited as
24 the "Arkansas Highway Improvement Plan of 2016".
25

26 SECTION 2. Arkansas Code § 10-3-309(b)(2)(B), concerning the
27 definition of "state agency", is amended to read as follows:

28 (B) "State agency" does not include the following unless
29 the Legislative Council adopts rules under subsection (h) of this section
30 ~~including that include~~ one (1) or more of the following in the definition of
31 "state agency":

32 (i) The Arkansas State Game and Fish Commission, if
33 the rule is not promulgated under authority of a statute enacted by the
34 General Assembly;

35 (ii) ~~The~~ Except as provided in §§ 10-3-3102 and 27-
36 65-107(a)(18)(A), the State Highway Commission and the Arkansas State Highway



1 and Transportation Department, if the rule is not promulgated under authority
2 of a statute enacted by the General Assembly; and

3 (iii) An institution of higher education.
4

5 SECTION 3. Arkansas Code Title 10, Chapter 3, is amended to add an
6 additional subchapter to read as follows:

7 Subchapter 31 – Highway Commission Review and Advisory Subcommittee of
8 the Legislative Council

9 10-3-3101. Creation.

10 (a) The Highway Commission Review and Advisory Subcommittee of the
11 Legislative Council is created.

12 (b)(1) The Highway Commission Review and Advisory Subcommittee of the
13 Legislative Council shall consist of twenty (20) members with at least four
14 (4) or more members of the General Assembly from each congressional district
15 of the state.

16 (2) The Legislative Council may through a suspension of its
17 rules, alter the membership of the Highway Commission Review and Advisory
18 Subcommittee of the Legislative Council.

19
20 10-3-3102. Duties.

21 (a) The Highway Commission Review and Advisory Subcommittee of the
22 Legislative Council shall review:

23 (1)(A) Proposed rules of the State Highway Commission required
24 under § 27-65-107(a)(18)(A).

25 (B)(i) Subdivision (a)(1)(A) of this section is limited to
26 rule review only.

27 (ii) Rules promulgated by the State Highway
28 Commission are not subject to approval by the Highway Commission Review and
29 Advisory Subcommittee of the Legislative Council, the Legislative Council, or
30 the Administrative Rules and Regulations Subcommittee of the Legislative
31 Council under this section or § 10-3-309; and

32 (2) Other State Highway Commission matters the Highway
33 Commission Review and Advisory Subcommittee of the Legislative Council
34 considers necessary to perform its duties under this section.

35 (b) The Highway Commission Review and Advisory Subcommittee of the
36 Legislative Council shall perform such other duties as may be assigned to it

1 by the Legislative Council.

2
3 (c) As a subcommittee of the Legislative Council, actions of the
4 Highway Commission Review and Advisory Subcommittee shall be reported to the
5 Legislative Council for final consideration and adoption.

6
7 SECTION 4. Arkansas Code § 19-3-521(a)(2)(B), concerning the
8 Securities Reserve Fund, is amended to read as follows:

9 (B) However, moneys in the Securities Reserve Fund in
10 excess of one hundred thousand dollars (\$100,000) shall be available at all
11 times to the Chief Fiscal Officer of the State ~~for transfer to the Budget~~
12 ~~Stabilization Trust Fund~~ as authorized by § 19-5-905, there to be used as
13 provided by law.

14
15 SECTION 5. Arkansas Code Title 19, Chapter 5, Subchapter 2 is amended
16 to add a new section to read as follows:

17 19-5-207. Certain sales and use taxes not subject to deduction,
18 transfer, or distribution.

19 The sales and use taxes levied under Arkansas Constitution, Amendment
20 91, § 3, are not subject to deduction, transfer, or distribution to the
21 Constitutional Officers Fund or the State Central Services Fund under §§ 19-
22 5-202, 19-5-203, and 19-5-205.

23
24 SECTION 6. Arkansas Code § 19-5-406 is amended to read as follows:

25 19-5-406. Transfer of remaining revenue.

26 After making the maximum annual allocation, as provided for in § 19-5-
27 402; ~~, all remaining general revenues available for distribution during each~~
28 ~~fiscal year shall be transferred on the last day of business in each calendar~~
29 ~~month to the General Revenue Allotment Reserve Fund, there to be used for the~~
30 ~~respective purposes as provided by law.~~

31 (1) Seventy-five percent (75%) of the remaining general revenues
32 available for distribution during each fiscal year shall be transferred on
33 the last day of business in each calendar month to the General Revenue
34 Allotment Reserve Fund, there to be used for the respective purposes as
35 provided by law; and

36 (2) Twenty-five percent (25%) of the remaining general revenues

1 available for distribution during each fiscal year shall be transferred on
 2 the last day of business in each calendar month to the Arkansas Highway
 3 Transfer Fund.

4
 5 SECTION 7. Arkansas Code § 19-5-501(a)(2), concerning the Budget
 6 Stabilization Trust Fund, is amended to read as follows:

7 (2) The Budget Stabilization Trust Fund shall consist of funds
 8 made available and transferred to it from the Securities Reserve Fund as set
 9 out in § 19-5-905 ~~and this section~~, the fund balance and other assets
 10 remaining in the State Budget Revolving Fund on June 30, 1987, and any other
 11 funds made available by law. ~~The Treasurer of State, after complying with §~~
 12 ~~27-70-204 for distributing interest income earned from investment of average~~
 13 ~~daily balances of the State Highway and Transportation Department Fund; § 15-~~
 14 ~~41-110 for distributing interest earned from investment of average daily~~
 15 ~~balances of the Game Protection Fund; and any other laws enacted by the~~
 16 ~~General Assembly for disposition of interest income earned from investment of~~
 17 ~~average daily State Treasury balances, shall credit to the Budget~~
 18 ~~Stabilization Trust Fund fifty percent (50%) of the interest income received~~
 19 ~~and credited to the Securities Reserve Fund and credit to the General~~
 20 ~~Improvement Fund fifty percent (50%) of the interest income received and~~
 21 ~~credited to the Securities Reserve Fund as certified by the Chief Fiscal~~
 22 ~~Officer of the State.~~

23
 24 SECTION 8. Arkansas Code § 19-5-905 is amended to read as follows:
 25 19-5-905. Securities Reserve Fund.

26 (a) There is established on the books of the Treasurer of State, the
 27 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
 28 be known as the "Securities Reserve Fund". ~~This fund~~ The Securities Reserve
 29 Fund shall consist of moneys derived from savings effected in the retirement
 30 in advance of maturity of nonhighway direct general obligation bonds of the
 31 state, of discounts received in the purchase of securities, and of premiums
 32 and interest derived from the sale of securities held in the Securities
 33 Account by the Treasurer of State as custodian. ~~It shall be used for~~ The
 34 Securities Reserve Fund shall be used as follows:

35 (1) ~~Paying~~ To pay premiums and the purchase and absorbing of
 36 discounts in the sale of securities held in the Securities Account, not to

1 exceed five hundred thousand dollars (\$500,000) in any one (1) fiscal year;

2 (2) ~~Guaranteeing~~ To guarantee bonds in an aggregate principal
3 amount not to exceed five million dollars (\$5,000,000) outstanding at any
4 time, with no bond bearing interest at a rate exceeding eight percent (8%)
5 per annum, of the Museum and Cultural Commission Fund authorized, and in the
6 manner prescribed in the Arkansas Museum and Cultural Center Act, by § 13-5-
7 301 et seq., not to exceed five hundred thousand dollars (\$500,000) in any
8 one (1) fiscal year;

9 (3) ~~Guaranteeing~~ To guarantee bonds of any other park or
10 recreation facility approved by the Governor and the Department of Parks and
11 Tourism, not to exceed five hundred thousand dollars (\$500,000) in the
12 aggregate, after seeking advice of the Legislative Council and the
13 Legislative Joint Auditing Committee;

14 (4) ~~Guaranteeing~~ To guarantee industrial development bonds as
15 authorized by §§ 15-4-702 – 15-4-710;

16 (5) ~~Absorbing~~ To absorb losses incurred in the investing of
17 securities held in the Securities Account in the State Treasury and in bank
18 depositories. The balance of ~~this fund~~ the Securities Reserve Fund shall
19 always be available for this purpose; ~~and~~

20 (6) ~~Guaranteeing~~ To guarantee to students to attend truck
21 driving school at the Arkansas Commercial Driver Training Institute at
22 Arkansas State University-Newport, in an aggregate principal amount not to
23 exceed four hundred thousand dollars (\$400,000) outstanding at any one (1)
24 time-;

25 (7) To distribute:

26 (A) Interest income earned on investment of average daily
27 balances of the following:

28 (i) The State Highway and Transportation Department
29 Fund, as authorized by § 27-70-204;

30 (ii) The Game Protection Fund, as authorized by §
31 15-41-110;

32 (iii) The funds deposited into the State Treasury by
33 state agencies, boards, and commissions that were previously held as cash
34 funds in a bank depository or investment depository, as authorized by § 19-3-
35 518(d); and

36 (iv) State and Local Fiscal Assistance Act of 1972,

1 31 U.S.C. § 6701 et seq., as authorized by § 19-3-521(c);

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

5 (8) After the distributions enumerated in subdivision (a)(7) of
 6 this section, for a one-time transfer by the Chief Fiscal Officer of the
 7 State, one million five hundred thousand dollars (\$1,500,000) to the Arkansas
 8 Highway Transfer Fund, to be transferred only in Fiscal Year 2017;

9 (9) After the distributions enumerated in subdivisions (a)(7)
 10 and (8) of this section, for a transfer by the Chief Fiscal Officer of the
 11 State of five million dollars (\$5,000,000) each fiscal year to the Budget
 12 Stabilization Trust Fund;

13 (10) After the transfer to the Budget Stabilization Trust Fund
 14 enumerated in subdivision (a)(9) of this section, for a transfer by the Chief
 15 Fiscal Officer of the State of twenty million dollars (\$20,000,000) beginning
 16 in Fiscal Year 2018 and each fiscal year thereafter to the Arkansas Highway
 17 Transfer Fund;

18 (11) For a transfer by the Chief Fiscal Officer on the last
 19 business day of the fiscal year to the Budget Stabilization Trust Fund to
 20 reimburse the Budget Stabilization Trust Fund for any current fiscal year
 21 transfers that have been made to the following:

22 (A) The Department of Correction Farm Fund under § 19-5-
 23 501(b)(1);

24 (B) The State Military Department Fund under § 19-5-
 25 501(b)(3);

26 (C) The Disaster Assistance Fund under § 19-5-1006;

27 (D) The Miscellaneous Revolving Fund under § 19-5-1009;

28 (E) The State Central Services Fund under § 19-5-501(d);

29 and

30 (F) The State Board of Election Commissioners, as
 31 authorized by law; and

32 (12) After all distributions and transfers under this section,
 33 less one hundred thousand dollars (\$100,000) under § 19-3-521(a)(2), for a
 34 transfer by the Chief Fiscal Officer of the State on the last business day of
 35 the fiscal year of the fund balance to the Long Term Reserve Fund.

36 ~~(b) Moneys in this fund in excess of one hundred thousand dollars~~

1 ~~(\$100,000) shall, at all times, be available to the Chief Fiscal Officer of~~
 2 ~~the State for transfer to the Budget Stabilization Trust Fund, there to be~~
 3 ~~used as provided by law.~~

4 ~~(e)(b) In the event any loss~~ If any loss is shall be sustained in
 5 relation to securities at any time held in the Securities Account or in any
 6 bank depository and ~~in the event if~~ the credit balance in the Securities
 7 Reserve Fund ~~shall be~~ is insufficient to absorb ~~such the~~ loss, the Chief
 8 Fiscal Officer of the State shall cause a transfer of moneys to be made from
 9 the Budget Stabilization Trust Fund to the Securities Reserve Fund in such
 10 amount as shall, when added to the credit balance in the Securities Reserve
 11 Fund, equal the amount of ~~such the~~ loss. It is the intent of the General
 12 Assembly that no loss shall be sustained by any account the funds of which
 13 were used in making such investments and deposits.

14
 15 SECTION 9. Arkansas Code § 19-5-1103(b), concerning the Property Tax
 16 Relief Trust Fund, is amended to read as follows:

17 (b) The fund shall consist of such revenues as generated by §§ 26-52-
 18 302(c), 26-52-317(c)(1)(B), 26-52-319(a)(2)(B), 26-53-107(c), 26-53-
 19 145(c)(1)(B), 26-53-148(a)(2)(B), ~~26-56-201(g)(1)(C)~~, and 26-56-224(c)(2) and
 20 shall be used for such purposes as set out in § 26-26-310.

21
 22 SECTION 10. Arkansas Code § 19-5-1227(b)(3), concerning the
 23 Educational Adequacy Fund, is amended to read as follows:

24 (3) The revenues generated by §§ 26-52-302(d), 26-52-316, 26-52-
 25 317(c)(1)(C), 26-52-319(a)(2)(C), 26-53-107(d), 26-53-145(c)(1)(C), 26-53-
 26 148(a)(2)(C), ~~26-56-201(g)(1)(B)~~, 26-56-224(c)(3), and 26-57-
 27 1002(d)(1)(A)(ii); and

28
 29 SECTION 11. Arkansas Code § 19-6-201(68), concerning the enumeration
 30 of general revenues, is repealed.

31 ~~(68) The first four million dollars (\$4,000,000) of the eight and~~
 32 ~~one half cent (8½¢) tax on distillate special fuels levied each fiscal year~~
 33 ~~under § 26-56-201(a)(1)(A)(i);~~

34
 35 SECTION 12. Arkansas Code § 19-6-301(3)(A), concerning the enumeration
 36 of special revenues, is amended to read as follows:

1 (A) Eight and one-half cent (8.5¢) tax on distillate
2 special motor fuels levied by § 26-56-201(a)(1)(A)(i), ~~after the deduction of~~
3 ~~the first four million dollars (\$4,000,000) each fiscal year under § 26-56-~~
4 ~~201(g)(1)~~ and the one cent (1¢) tax on distillate special motor fuels levied
5 by § 26-56-201(a)(1)(A)(ii);
6

7 SECTION 13. Arkansas Code Title 19, Chapter 6, Subchapter 8, is
8 amended to add an additional section to read as follows:

9 19-6-832. Arkansas Highway Transfer Fund.

10 (a) There is created on the books of the Treasurer of the State, the
11 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
12 fund to be known as the "Arkansas Highway Transfer Fund".

13 (b) The Arkansas Highway Transfer Fund shall be used to provide
14 additional funding to the Arkansas State Highway and Transportation
15 Department for use in constructing and maintaining the highways of this
16 state.

17 (c) In the event revenues to the department are insufficient to fully
18 address the highway construction and maintenance needs of the state, the
19 department may provide a written document to the Governor outlining the
20 reasons that additional funding is needed and requesting that the Governor
21 provide a recommendation to the Legislative Council or the Joint Budget
22 Committee for review and approval of the transfer of funds in the Arkansas
23 Highway Transfer Fund to the State Highway and Transportation Department
24 Fund.

25 (d) Upon review and approval of the Legislative Council or the Joint
26 Budget Committee, the Chief Fiscal Officer of the State may transfer funds
27 from the Arkansas Highway Transfer Fund to the State Highway and
28 Transportation Department Fund as deemed necessary to provide additional
29 funding to address the highway construction and maintenance needs of the
30 state.

31 (e) The requirement of approval by the Legislative Council or Joint
32 Budget Committee is not a severable part of this section. If the requirement
33 of approval by the Legislative Council or Joint Budget Committee is ruled
34 unconstitutional by a court of competent jurisdiction, this entire section is
35 void.
36

1 SECTION 14. The introductory language of Arkansas Code § 19-6-484,
2 concerning the Conservation Tax Fund, is amended to read as follows:

3 The Conservation Tax Fund shall consist of those ~~general revenues as~~
4 ~~specified in § 26-56-201(g)(1)(D) and those~~ special revenues as specified in
5 § 19-6-301(193) there to be distributed to the fund accounts as set out
6 below, which are created by this section unless specifically created in other
7 provisions of the Arkansas Code, and under the following procedures:

8
9 SECTION 15. Arkansas Code § 19-6-486 is amended to read as follows:

10 19-6-486. ~~Arkansas Rainy Day Fund.~~ Long Term Reserve Fund.

11 (a) There is created on the books of the Treasurer of State, the
12 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
13 fund to be known as the ~~“Arkansas Rainy Day Fund”~~ “Long Term Reserve Fund”.

14 (b) The fund shall consist of such funds as may be provided by the
15 General Assembly.

16 (c) The fund shall be used to distribute moneys to one (1) or more
17 funds or fund accounts in the Revenue Stabilization Law of Arkansas, § 19-5-
18 101 et seq.

19 (d)(1) After determining the estimated amount of general revenue that
20 will be available for allocation to the state agencies under the Revenue
21 Stabilization Law, § 19-5-101 et seq., and after making the determination
22 required by § 19-5-1227(c) and prior to making any transfers deemed necessary
23 by the Chief Fiscal Officer of the State in § 19-5-1227(d), the Chief Fiscal
24 Officer of the State may transfer funds from the ~~Arkansas Rainy Day Fund~~ Long
25 Term Reserve Fund in the event a “revenue shortfall” exists to meet the
26 state’s financial obligation to provide an adequate educational system for
27 the state and to provide for the effective operation of state government. In
28 the event the Chief Fiscal Officer of the State determines that a “revenue
29 shortfall” exists as defined as a circumstance when the official forecast of
30 gross general revenue certified by the Chief Fiscal Officer of the State is
31 projected to increase less than three percent (3%) over and above the gross
32 general revenue collections of the previous fiscal year due to changes in
33 economic conditions, he or she may then transfer funds from the ~~Arkansas~~
34 ~~Rainy Day Fund~~ Long Term Reserve Fund, as approved by the Legislative Council
35 or Joint Budget Committee, to various funds and fund accounts, as deemed
36 necessary, in the Revenue Stabilization Law for the purpose of meeting

1 unanticipated shortfalls in state general revenue.

2 (2) Or the Chief Fiscal Officer of the State may transfer funds
3 from the ~~Arkansas Rainy Day Fund~~ Long Term Reserve Fund to the Economic
4 Development Superprojects Project Fund for projects authorized under Arkansas
5 Constitution, Amendment 82, as approved by the Governor and the Legislative
6 Council or Joint Budget Committee.

7 (3) Determining the maximum amount of appropriation and general
8 revenue funding for a state agency each fiscal year is the prerogative of the
9 General Assembly. This is usually accomplished by delineating such maximums
10 in the appropriation acts for a state agency and the general revenue
11 allocations authorized for each fund and fund account by amendment to the
12 Revenue Stabilization Law. Further, the General Assembly has determined that
13 creating the ~~Arkansas Rainy Day Fund~~ Long Term Reserve Fund and establishing
14 the procedures for the transfer of funds to various fund and fund accounts in
15 the Revenue Stabilization Law or to the Economic Development Superprojects
16 Project Fund, or both, provides for the efficient and effective operation of
17 state government if a revenue shortfall is determined to exist. Therefore, it
18 is both necessary and appropriate that the General Assembly maintain
19 oversight by requiring prior approval of the Legislative Council or Joint
20 Budget Committee as provided by this section. The requirement of approval by
21 the Legislative Council or Joint Budget Committee is not a severable part of
22 this section. If the requirement of approval by the Legislative Council or
23 Joint Budget Committee is ruled unconstitutional by a court of competent
24 jurisdiction, this entire section is void.

25 (e)(1) Upon recommendation by the Chief Fiscal Officer of the State,
26 the Governor may determine that circumstances exist that meet the
27 requirements for the utilization of the ~~Arkansas Rainy Day Fund~~ Long Term
28 Reserve Fund as set out in this section and the procedures set out herein
29 shall apply.

30 (2) When the Governor determines there is a need requiring
31 transfer from the ~~Arkansas Rainy Day Fund~~ Long Term Reserve Fund, he or she
32 shall instruct the Chief Fiscal Officer of the State to prepare and submit
33 written documentation to the Legislative Council or the Joint Budget
34 Committee. Such documentation shall include:

35 (A) Sufficient financial data that will enable the
36 verification of the existence of an emergency and the amount necessary to

1 address the need for ~~rainy day funds~~ long term reserve funds;

2 (B) A proposed distribution of moneys from the ~~Arkansas~~
3 ~~Rainy Day Fund~~ Long Term Reserve Fund to one or more funds or fund accounts
4 in the Revenue Stabilization Law, or to the Economic Development
5 Superprojects Project Fund, or both; and

6 (C) A statement certifying that no other funds are
7 available that could be transferred in lieu of the funds in the ~~Arkansas~~
8 ~~Rainy Day Fund~~ Long Term Reserve Fund.

9 (3) Such documentation shall be submitted to the Legislative
10 Council or Joint Budget Committee for approval prior to the implementation of
11 the proposed distribution. The Chief Fiscal Officer of the State, after
12 having sought and received prior approval of the Legislative Council or Joint
13 Budget Committee, shall cause the required transfers to be made on his or her
14 books and on the books of the Treasurer of State and the Auditor of State
15 from the ~~Arkansas Rainy Day Fund~~ Long Term Reserve Fund to the appropriate
16 funds and fund accounts in the Revenue Stabilization Law or to the Economic
17 Development Superprojects Project Fund, or both. In no event shall the
18 amounts transferred in any fiscal year to the funds and fund accounts in the
19 Revenue Stabilization Law by this section cause the general revenues to
20 exceed the maximum allocations authorized in the Revenue Stabilization Law.

21 (4) Determining the maximum amount of appropriation and general
22 revenue funding for a state agency each fiscal year is the prerogative of the
23 General Assembly. This is usually accomplished by delineating such maximums
24 in the appropriation acts for a state agency and the general revenue
25 allocations authorized for each fund and fund account by amendment to the
26 Revenue Stabilization Law. Further, the General Assembly has determined that
27 creating the ~~Arkansas Rainy Day Fund~~ Long Term Reserve Fund and establishing
28 the procedures for the transfer of funds to various funds and fund accounts
29 in the Revenue Stabilization Law or to the Economic Development Superprojects
30 Project Fund, or both, provides for the efficient and effective operation of
31 state government if a revenue shortfall is determined to exist. Therefore, it
32 is both necessary and appropriate that the General Assembly maintain
33 oversight by requiring prior approval of the Legislative Council or Joint
34 Budget Committee as provided by this section. The requirement of approval by
35 the Legislative Council or Joint Budget Committee is not a severable part of
36 this section. If the requirement of approval by the Legislative Council or

1 Joint Budget Committee is ruled unconstitutional by a court of competent
2 jurisdiction, this entire section is void.

3 (f) During each fiscal year, after the provisions of § 19-5-1004(b)(2)
4 are complied with, the Chief Fiscal Officer of the State may replenish the
5 ~~Arkansas Rainy Day Fund~~ Long Term Reserve Fund by transferring no more than
6 fifty percent (50%) of the balance in the General Revenue Allotment Reserve
7 Fund or an amount equal to all transfers made under this section during the
8 fiscal year immediately preceding the fiscal year in which such replenishment
9 is made under this section, whichever is less, to the ~~Arkansas Rainy Day Fund~~
10 Long Term Reserve Fund. In no event shall the balance of the ~~Arkansas Rainy~~
11 ~~Day Fund~~ Long Term Reserve Fund exceed one hundred twenty five million
12 dollars (\$125,000,000) at any time.

13
14 SECTION 16. Arkansas Code § 26-56-201(f), concerning the imposition
15 and distribution of distillate special fuels tax, is amended to read as
16 follows:

17 (f) ~~Except as provided in subsection (g) of this section, the~~ The
18 additional taxes collected under this section are special revenues and shall
19 be distributed as set forth in the Arkansas Highway Revenue Distribution Law,
20 § 27-70-201 et seq., subject to any requirements for the repayment of bonds
21 issued under the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq.,
22 the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq.,
23 and the Arkansas Highway Financing Act of 2011, § 27-64-501 et seq.

24
25 SECTION 17. Arkansas Code § 26-56-201(g), concerning the imposition
26 and distribution of distillate special fuels tax, is amended to read as
27 follows:

28 (g)(1) ~~In order to offset the general revenues lost by the tax~~
29 ~~exemption contained in § 26-52-436(c) and (d) and § 26-53-144(c) and (d), the~~
30 ~~Chief Fiscal Officer of the State shall, on or before June 30, 2013, and on~~
31 ~~or before June 30 of each fiscal year thereafter, deposit the first four~~
32 ~~million dollars (\$4,000,000) of the taxes collected under subdivision~~
33 ~~(a)(1)(A)(i) of this section as general revenues, to be distributed as~~
34 ~~follows:~~

35 (A) ~~Seventy five percent (75%) to be deposited into the~~
36 ~~General Revenue Fund Account of the State Apportionment Fund;~~

1 ~~(B) Fourteen and six tenths percent (14.6%) to be~~
 2 ~~deposited into the Educational Adequacy Fund;~~

3 ~~(C) Eight and three tenths percent (8.3%) to be deposited~~
 4 ~~into the Property Tax Relief Trust Fund; and~~

5 ~~(D) Two and one tenth percent (2.1%) to be deposited into~~
 6 ~~the Conservation Tax Fund.~~

7 ~~(2) The balance of the taxes collected under subdivision~~
 8 ~~(a)(1)(A)(i) of this section shall be deposited as special revenues and~~
 9 ~~distributed in the manner required by law.~~

10 ~~(3) The classification and distribution of taxes under~~
 11 ~~subdivision (g)(1) of this section is subject to any requirements for the~~
 12 ~~repayment of bonds issued under the~~
 13 ~~Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., and the Arkansas~~
 14 ~~Interstate Highway Financing Act of 2007, § 27-64-401 et seq.~~

15 ~~(4) The taxes collected under subdivision (a)(1)(A)(ii) of this~~
 16 ~~section shall be distributed as provided in § 26-56-221.~~

17
 18 SECTION 18. Arkansas Code § 27-70-206(1) concerning distribution of
 19 highway revenue to state funds, is amended to read as follows:

20 (1) First, except as provided by § 19-5-207, three percent (3%)
 21 of the amount thereof to the Constitutional Officers Fund and the State
 22 Central Services Fund, there to be used for the purposes specified for ~~the~~
 23 each fund by the Revenue Stabilization Law, § 19-5-101 et seq.;

24
 25 SECTION 19. Arkansas Code § 27-65-107(a), concerning the powers and
 26 duties of the State Highway Commission, is amended to add additional
 27 subdivisions to read as follows:

28 (18)(A) To propose and submit rules regarding the:

29 (i) Criteria for distribution of funds and the
 30 distribution of funds from the:

31 (a) State Highway and Transportation
 32 Department Fund; and

33 (b) Road and Bridge Repair, Maintenance, and
 34 Grants Fund; and

35 (ii) Spending priority designated for highway
 36 construction contracts and public road construction projects by the Arkansas

1 State Highway and Transportation Department and the commission, including the
2 criteria used to establish the spending priority.

3 (B)(i) The commission shall submit the proposed rules
4 required under subdivision (a)(18)(A) of this section to the Highway
5 Commission Review and Advisory Subcommittee of the Legislative Council for
6 review.

7 (ii) Proposed rules required under subdivision
8 (a)(18)(A) of this section that are under consideration at the time the act
9 passes do not require review by the Highway Commission Review and Advisory
10 Subcommittee of the Legislative Council prior to implementation but shall be
11 submitted to the Highway Commission Review and Advisory Subcommittee of the
12 Legislative Council by October 1, 2017 as a report.

13 (iii) The proposed rules required under subdivision
14 (a)(18)(A) of this section are not required to be promulgated under the
15 Arkansas Administrative Procedure Act, § 25-15-201 et seq., but shall be
16 published after review by the Highway Commission Review and Advisory
17 Subcommittee of the Legislative Council; and

18 (19) To provide the Highway Commission Review and Advisory
19 Subcommittee of the Legislative Council with a report on the progress of each
20 public road construction project of ten million dollars (\$10,000,000) or more
21 at least quarterly or as required by the Highway Commission Review and
22 Advisory Subcommittee of the Legislative Council.

23
24 SECTION 20. Arkansas Code § 27-65-107, concerning the powers and
25 duties of the State Highway Commission, is amended to add an additional
26 subsection to read as follows:

27 (d) As used in this section:

28 (1) "Highway construction contract" means a contract for the
29 construction, restoration, reconstruction, renovation, or repair of a road,
30 highway, bridge, overpass, interchange, right-of-way, or turnpike that is
31 part of the state highway system; and

32 (2) "Public road construction project" means the construction,
33 restoration, reconstruction, renovation, or repair of a road, highway,
34 street, bridge, overpass, interchange, or right-of-way in which the
35 construction, restoration, reconstruction, renovation, or repair is to be
36 performed or is initiated by the Arkansas State Highway and Transportation

1 Department or the commission.

2
3 SECTION 21. TEMPORARY LANGUAGE. DO NOT CODIFY.

4 (a) The Chief Fiscal Officer of the State shall make a one-time
5 transfer on his or her books and those of the Treasurer of State and the
6 Auditor of State the sum of forty million dollars (\$40,000,000) from the
7 funds available in the Rainy Day Set-Aside of the 90th Session Projects
8 Account of the General Improvement Fund as authorized by Acts 2015, No. 1147,
9 § 3(a)(11), to the Arkansas Highway Transfer Fund there to be used only for
10 the purposes set forth in § 19-6-832.

11 (b) Disbursement of funds authorized by this act shall be limited to
12 the appropriation for the agency and funds made available by law for the
13 support of the appropriations. The restrictions of the Arkansas Procurement
14 Law, § 19-11-201 et seq., the General Accounting and Budgetary Procedures
15 Law, § 19-4-101 et seq., the Revenue Stabilization Law, § 19-5-101 et seq.,
16 the Regular Salary Procedures and Restrictions Act, § 21-5-101 et seq., and
17 other fiscal control laws of this state, where applicable, and regulations
18 promulgated by the Department of Finance and Administration, as authorized by
19 law, shall be strictly complied with in disbursement of the funds.

20 (c) It is the intent of the General Assembly that any funds disbursed
21 under the authority of this act shall be in compliance with the stated
22 reasons for which this act was adopted, as evidenced by the Agency Requests,
23 Executive Recommendations, and Legislative Recommendations contained in the
24 budget manuals prepared by the Department of Finance and Administration,
25 letters, or summarized oral testimony in the official minutes of the
26 Legislative Council or Joint Budget Committee which relate to its passage and
27 adoption.

28
29 SECTION 22. EFFECTIVE DATE. Sections 9-12, 14, 16 and 17 of this act
30 are effective on and after July 1, 2017.

31
32 SECTION 23. EMERGENCY CLAUSE. It is found and determined by the
33 General Assembly of the State of Arkansas that Arkansas bridges and roads are
34 in need of repair and proper maintenance; that the repair and proper
35 maintenance of Arkansas bridges and roads are necessary for the preservation
36 of the public peace, health, and safety; that increased funding is essential

1 to the repair and proper maintenance of Arkansas bridges and roads; that this
2 act is designed to provide the necessary funding that is essential to the
3 repair and proper maintenance of Arkansas bridges and roads, and this act is
4 necessary because without this increased funding, the repair and proper
5 maintenance of Arkansas bridges and roads may not be performed. Therefore, an
6 emergency is declared to exist, and Sections 1-8, 13, 15, 18-21 of this act
7 being immediately necessary for the preservation of the public peace, health,
8 and safety shall become effective on July 1, 2016.

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