State of Arkansas
92nd General Assembly
First Extraordinary Session, 2020

A Bill

Call Item 1

SENATE BILL 2

By: Senators J. Hendren, J. Dismang, Hester, K. Ingram, Bledsoe, Irvin, D. Wallace, Teague, Rapert, J. English, S. Flowers, B. Johnson, J. Cooper, L. Eads, J. Sturch, Maloch, E. Cheatham, M. Pitsch, G. Leding, Hill, Bond
By: Representatives Shepherd, F. Allen, Beck, Bentley, Berry, Breaux, Burch, Cloud, C. Cooper, Eaves, Ennett, Eubanks, K. Ferguson, Fielding, C. Fite, Glover, Holcomb, Jean, Jett, Ladyman, Maddox, Magie, McCullough, McNair, S. Meeks, Nicks, Payton, Richmond, Rushing, Rye, Scott, Slape, B. Smith, Sorvillo, Wardlaw, Watson, D. Whitaker, Miller, Richardson

For An Act To Be Entitled

AN ACT TO CREATE THE COVID-19 RAINY DAY FUND; TO TRANSFER FUNDS TO THE COVID-19 RAINY DAY FUND; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

AN ACT TO CREATE THE COVID-19 RAINY DAY FUND; TO TRANSFER FUNDS TO THE COVID-19 RAINY DAY FUND; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code Title 19, Chapter 5, Subchapter 12 is amended to add an additional section to read as follows:

19-5-1267. COVID-19 RAINY DAY FUND.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the "COVID-19 Rainy Day Fund".

(b) The COVID-19 Rainy Day Fund shall consist of:

(1) Funds transferred from the General Revenue Allotment Reserve Fund to the COVID-19 Rainy Day Fund;

(2) Any revenues provided by law; and

(3) Any fund or fund account transfers provided for by law.

(c) The Chief Fiscal Officer of the State shall use the COVID-19 Rainy Day Fund for transfers to provide funding for one (1) or more appropriations authorized by the General Assembly and to offset general revenue reductions, funding needs and unanticipated needs created by the COVID-19 crises.

(d)(1) Notwithstanding any other provisions of law, the release of any funds from the COVID-19 Rainy Day Fund shall require prior approval, as defined in this subsection, of the:

(A) Speaker of the House of Representatives or his or her designee;

(B) Majority party leader of the House of Representatives or his or her designee;

(C) Minority party leader of the House of Representatives or his or her designee;

(D) President Pro Tempore of the Senate or his or her designee;

(E) Majority party leader of the Senate or his or her designee; and

(F) Minority party leader of the Senate or his or her designee.

(2)(A) The Secretary of the Department of Finance and Administration shall notify the Speaker of the House of Representatives, the President Pro Tempore of the Senate and all other members of the General Assembly of a request for the release of funds from the COVID-19 Rainy Day Fund.

(B)(i) The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall communicate the request to the respective majority party leader and respective minority party leader.

(ii) If a majority party leader or a minority party leader is unavailable or recuses from the vote, the Speaker of the House of Representatives and the President Pro Tempore of the Senate shall contact the non-responding majority party leader designee or non-responding minority party leader designee.

(3)(A) As used in this section "prior approval" means that:

(i) At least two (2) members listed in subdivision (d)(1)

of this section from the House of Representatives and two (2) members listed in subdivision (d)(1) of this section from the Senate approve the release of funds from the COVID-19 Rainy Day Fund; and

(ii) The written or electronic approval by the two (2) members listed in subdivision (d)(1) from the House of Representatives and by the two (2) members listed in subdivision (d)(1) from the Senate occurs within two (2) hours after the members received written or electronic notification of the request by the Speaker of the House of Representatives or the President Pro Tempore of the Senate.

(B) In the event the majority party leader or the minority party leader is not available within two (2) hours after the notification has been given or has recused, the Speaker of the House or the President Pro Tempore of the Senate shall contact the non-responding majority party leader designee or non-responding minority party leader designee and the designee shall either be immediately available or is deemed to vote for approval of the release of funds from the COVID-19 Rainy Day Fund.

(4)(A) The action taken under this subsection (d) shall be reported to the members of the General Assembly.

(B) The report shall include:

(i) Remaining Balances in the COVID-19 Rainy Day Fund;

(ii) Total amount released to date; and

(iii) The amount of each prior release and the purpose of the release.

(e) Determining the 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 for a state agency with 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 various state agencies may operate more efficiently if some flexibility is provided authorizing broad powers under this Section. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval as set out in subsection (d) herein, by this section. The requirement of approval as set out in subsection (d) herein is not a severable part of this section. If the requirement of approval as set out in subsection (d) herein is ruled unconstitutional by a court of competent jurisdiction, this entire section is

void.

SECTION 2. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL OR TEMPORARY LAW. FUND TRANSFER TO THE COVID-19 RAINY DAY FUND. (a) 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 one hundred seventy three million six hundred ten thousand six hundred and thirty-two dollars ($173,610,632) from the General Revenue Allotment Reserve Fund to the COVID-19 Rainy Day Fund to provide funding for one (1) or more appropriations authorized by the General Assembly to offset general revenue reductions due to the reduction of the Official General Revenue Forecast and to address needs created by the COVID-19 crises, to be released as set out in the COVID-19 Rainy Day Fund.

(b) On June 30, 2020 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 any funds remaining in the COVID-19 Rainy Day Fund to the General Revenue Allotment Reserve Fund.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the creation of the Covid-19 Rainy Day Fund and a transfer of funds to the COVID-19 Rainy Day Fund is necessary to continue essential services. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

APPROVED: 3/28/20