

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

A Bill

Call Item 2
DRAFT LGS/LGS
SENATE BILL

5 By: Senator Hester
6 By: Representatives D. Douglas, Davis, Hickerson
7

For An Act To Be Entitled

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

Subtitle

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

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

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

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

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

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

34 (ii) ~~The~~ Except as provided in §§ 10-3-3102 and 27-
35 65-107(a)(18)(A), the State Highway Commission and the Arkansas State Highway
36 and Transportation Department, if the rule is not promulgated under authority

1 of a statute enacted by the General Assembly; and

2 (iii) An institution of higher education.

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

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

8 10-3-3101. Creation.

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

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

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

18
19 10-3-3102. Duties.

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

22 (1)(A) Proposed rules of the State Highway Commission required
23 under § 27-65-107(a)(18)(A) as submitted for public comment at least thirty
24 (30) days before the public comment period ends under the Arkansas
25 Administrative Procedure Act, § 25-15-201 et seq.

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

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

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

36 (b) The Highway Commission Review and Advisory Subcommittee of the

1 Legislative Council shall perform such other duties as may be assigned to it
2 by the Legislative Council.

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

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

11
12 SECTION 5. Arkansas Code Title 19, Chapter 5, Subchapter 2 is amended
13 to add a new section to read as follows:

14 19-5-207. Certain sales and use taxes not subject to deduction,
15 transfer, or distribution.

16 The sales and use taxes levied under Arkansas Constitution, Amendment
17 91, § 3, are not subject to deduction, transfer, or distribution to the
18 Constitutional Officers Fund or the State Central Services Fund under §§ 19-
19 5-202, 19-5-203, and 19-5-205.

20
21 SECTION 6. Arkansas Code § 19-5-406 is amended to read as follows:

22 After making the maximum annual allocation, as provided for in § 19-5-
23 402: ~~, all remaining general revenues available for distribution during each~~
24 ~~fiscal year shall be transferred on the last day of business in each calendar~~
25 ~~month to the General Revenue Allotment Reserve Fund, there to be used for the~~
26 ~~respective purposes as provided by law.~~

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

32 (2) Twenty-five percent (25%) of the remaining general revenues
33 available for distribution during each fiscal year shall be transferred on
34 the last day of business in each calendar month to the Arkansas Highway
35 Transfer Fund.

36

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

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

19
20 SECTION 8. Arkansas Code § 19-5-905 is amended to read as follows:

21 19-5-905. Securities Reserve Fund.

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

31 (1) ~~Paying~~ To pay premiums and the purchase and absorbing of
32 discounts in the sale of securities held in the Securities Account, not to
33 exceed five hundred thousand dollars (\$500,000) in any one (1) fiscal year;

34 (2) ~~Guaranteeing~~ To guarantee bonds in an aggregate principal
35 amount not to exceed five million dollars (\$5,000,000) outstanding at any
36 time, with no bond bearing interest at a rate exceeding eight percent (8%)

1 per annum, of the Museum and Cultural Commission Fund authorized, and in the
 2 manner prescribed in the Arkansas Museum and Cultural Center Act, by § 13-5-
 3 301 et seq., not to exceed five hundred thousand dollars (\$500,000) in any
 4 one (1) fiscal year;

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

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

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

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

21 (7) To distribute:

22 (A) Interest income earned on investment of average daily
 23 balances of the following:

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

26 (ii) The Game Protection Fund, as authorized by §
 27 15-41-110;

28 (iii) The funds deposited into the State Treasury by
 29 state agencies, boards, and commissions that were previously held as cash
 30 funds in a bank depository or investment depository, as authorized by § 19-3-
 31 518(d); and

32 (iv) State and Local Fiscal Assistance Act of 1972,
 33 31 U.S.C. § 6701 et seq., as authorized by § 19-3-521(c);

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

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

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

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

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

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

20 (B) The State Military Department Fund under § 19-5-
 21 501(b)(3);

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

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

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

25 and

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

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

32 ~~(b) Moneys in this fund in excess of one hundred thousand dollars~~
 33 ~~(\$100,000) shall, at all times, be available to the Chief Fiscal Officer of~~
 34 ~~the State for transfer to the Budget Stabilization Trust Fund, there to be~~
 35 ~~used as provided by law.~~

36 ~~(c)(b) In the event any loss~~ If any loss is shall be sustained in

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

10
 11 SECTION 9. Arkansas Code § 19-5-1103(b), concerning the Property Tax
 12 Relief Trust Fund, is amended to read as follows:

13 (b) The fund shall consist of such revenues as generated by §§ 26-52-
 14 302(c), 26-52-317(c)(1)(B), 26-52-319(a)(2)(B), 26-53-107(c), 26-53-
 15 145(c)(1)(B), 26-53-148(a)(2)(B), ~~26-56-201(g)(1)(G)~~, and 26-56-224(c)(2) and
 16 shall be used for such purposes as set out in § 26-26-310.

17
 18 SECTION 10. Arkansas Code § 19-5-1227(b)(3), concerning the
 19 Educational Adequacy Fund, is amended to read as follows:

20 (3) The revenues generated by §§ 26-52-302(d), 26-52-316, 26-52-
 21 317(c)(1)(C), 26-52-319(a)(2)(C), 26-53-107(d), 26-53-145(c)(1)(C), 26-53-
 22 148(a)(2)(C), ~~26-56-201(g)(1)(B)~~, 26-56-224(c)(3), and 26-57-
 23 1002(d)(1)(A)(ii); and

24
 25 SECTION 11. Arkansas Code § 19-6-201(68), concerning the enumeration
 26 of general revenues, is repealed.

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

30
 31 SECTION 12. Arkansas Code § 19-6-301(3)(A), concerning the enumeration
 32 of special revenues, is amended to read as follows:

33 (A) Eight and one-half cent (8.5¢) tax on distillate
 34 special motor fuels levied by § 26-56-201(a)(1)(A)(i), ~~after the deduction of~~
 35 ~~the first four million dollars (\$4,000,000) each fiscal year under § 26-56-~~
 36 ~~201(g)(1)~~ and the one cent (1¢) tax on distillate special motor fuels levied

1 by § 26-56-201(a)(1)(A)(ii);

2
3 SECTION 13. Arkansas Code Title 19, Chapter 6, Subchapter 8, is
4 amended to add an additional section to read as follows:

5 19-6-832. Arkansas Highway Transfer Fund.

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

9 (b) The Arkansas Highway Transfer Fund shall be used to provide
10 additional funding to the Arkansas State Highway and Transportation
11 Department for use in constructing and maintaining the highways of this
12 state.

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

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

27 (e) The requirement of approval by the Legislative Council or Joint
28 Budget Committee is not a severable part of this section. If the requirement
29 of approval by the Legislative Council or Joint Budget Committee is ruled
30 unconstitutional by a court of competent jurisdiction, this entire section is
31 void.

32
33 SECTION 14. The introductory language of Arkansas Code § 19-6-484,
34 concerning the Conservation Tax Fund, is amended to read as follows:

35 The Conservation Tax Fund shall consist of those ~~general revenues as~~
36 ~~specified in § 26-56-201(g)(1)(D) and those~~ special revenues as specified in

1 § 19-6-301(193) there to be distributed to the fund accounts as set out
 2 below, which are created by this section unless specifically created in other
 3 provisions of the Arkansas Code, and under the following procedures:

4
 5 SECTION 15. Arkansas Code § 19-6-486 is amended to read as follows:

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

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

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

12 (c) The fund shall be used to distribute moneys to one (1) or more
 13 funds or fund accounts in the Revenue Stabilization Law of Arkansas, § 19-5-
 14 101 et seq.

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

34 (2) Or the Chief Fiscal Officer of the State may transfer funds
 35 from the ~~Arkansas Rainy Day Fund~~ Long Term Reserve Fund to the Economic
 36 Development Superprojects Project Fund for projects authorized under Arkansas

1 Constitution, Amendment 82, as approved by the Governor and the Legislative
2 Council or Joint Budget Committee.

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

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

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

31 (A) Sufficient financial data that will enable the
32 verification of the existence of an emergency and the amount necessary to
33 address the need for ~~rainy day funds~~ long term reserve funds;

34 (B) A proposed distribution of moneys from the ~~Arkansas~~
35 ~~Rainy Day Fund~~ Long Term Reserve Fund to one or more funds or fund accounts
36 in the Revenue Stabilization Law, or to the Economic Development

1 Superprojects Project Fund, or both; and

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

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

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

35 (f) During each fiscal year, after the provisions of § 19-5-1004(b)(2)
36 are complied with, the Chief Fiscal Officer of the State may replenish the

1 ~~Arkansas Rainy Day Fund~~ Long Term Reserve Fund by transferring no more than
 2 fifty percent (50%) of the balance in the General Revenue Allotment Reserve
 3 Fund or an amount equal to all transfers made under this section during the
 4 fiscal year immediately preceding the fiscal year in which such replenishment
 5 is made under this section, whichever is less, to the ~~Arkansas Rainy Day Fund~~
 6 Long Term Reserve Fund. In no event shall the balance of the ~~Arkansas Rainy~~
 7 ~~Day Fund~~ Long Term Reserve Fund exceed one hundred twenty five million
 8 dollars (\$125,000,000) at any

9
 10 SECTION 16. Arkansas Code § 26-56-201(f), concerning the imposition
 11 and distribution of distillate special fuels tax, is amended to read as
 12 follows:

13 (f) ~~Except as provided in subsection (g) of this section, the~~ The
 14 additional taxes collected under this section are special revenues and shall
 15 be distributed as set forth in the Arkansas Highway Revenue Distribution Law,
 16 § 27-70-201 et seq., subject to any requirements for the repayment of bonds
 17 issued under the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq.,
 18 the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq.,
 19 and the Arkansas Highway Financing Act of 2011, § 27-64-501 et seq.

20
 21 SECTION 17. Arkansas Code § 26-56-201(g), concerning the imposition
 22 and distribution of distillate special fuels tax, is amended to read as
 23 follows:

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

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

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

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

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

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

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

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

13
 14 SECTION 18. Arkansas Code § 27-70-206(1) concerning distribution of
 15 highway revenue to state funds, is amended to read as follows:

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

20
 21 SECTION 19. Arkansas Code § 27-65-107(a), concerning the powers and
 22 duties of the State Highway Commission, is amended to add additional
 23 subdivisions to read as follows:

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

25 (i) Criteria for distribution of funds and the
 26 distribution of funds from the:

27 (a) State Highway and Transportation
 28 Department Fund; and

29 (b) Road and Bridge Repair, Maintenance, and
 30 Grants Fund; and

31 (ii) Spending priority designated for highway
 32 construction contracts and public road construction projects by the Arkansas
 33 State Highway and Transportation Department and the commission, including the
 34 criteria used to establish the spending priority.

35 (B)(i) The commission shall submit the proposed rules
 36 required under subdivision (a)(18)(A) of this section to the Highway

1 Commission Review and Advisory Subcommittee of the Legislative Council for
2 review before the proposed rules are promulgated under the Arkansas
3 Administrative Procedure Act, § 25-15-201 et seq.

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

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

15
16 SECTION 20. Arkansas Code § 27-65-107, concerning the powers and
17 duties of the State Highway Commission, is amended to add an additional
18 subsection to read as follows:

19 (d) As used in this section:

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

24 (2) "Public road construction project" means the construction,
25 restoration, reconstruction, renovation, or repair of a road, highway,
26 street, bridge, overpass, interchange, or right-of-way in which the
27 construction, restoration, reconstruction, renovation, or repair is to be
28 performed or is initiated by the Arkansas State Highway and Transportation
29 Department or the commission.

30
31 SECTION 21. TEMPORARY LANGUAGE. DO NOT CODIFY.

32 (a) The Chief Fiscal Officer of the State shall make a one-time
33 transfer on his or her books and those of the Treasurer of State and the
34 Auditor of State the sum of forty million dollars (\$40,000,000) from the
35 funds available in the Rainy Day Set-Aside of the 90th Session Projects
36 Account of the General Improvement Fund as authorized by Acts 2015, No. 1147,

1 § 3(a)(11), to the Arkansas Highway Transfer Fund there to be used only for
2 the purposes set forth in § 19-6-832.

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

12 (c) It is the intent of the General Assembly that any funds disbursed
13 under the authority of this act shall be in compliance with the stated
14 reasons for which this act was adopted, as evidenced by the Agency Requests,
15 Executive Recommendations, and Legislative Recommendations contained in the
16 budget manuals prepared by the Department of Finance and Administration,
17 letters, or summarized oral testimony in the official minutes of the
18 Legislative Council or Joint Budget Committee which relate to its passage and
19 adoption.

20
21 SECTION 22. EFFECTIVE DATE. Sections 9-12, 14, 16 and 17 of this act
22 are effective on and after July 1, 2017.

23
24 SECTION 23. EMERGENCY CLAUSE. It is found and determined by the
25 General Assembly of the State of Arkansas that Arkansas bridges and roads are
26 in need of repair and proper maintenance; that the repair and proper
27 maintenance of Arkansas bridges and roads are necessary for the preservation
28 of the public peace, health, and safety; that increased funding is essential
29 to the repair and proper maintenance of Arkansas bridges and roads; that this
30 act is designed to provide the necessary funding that is essential to the
31 repair and proper maintenance of Arkansas bridges and roads, and this act is
32 necessary because without this increased funding, the repair and proper
33 maintenance of Arkansas bridges and roads may not be performed. Therefore, an
34 emergency is declared to exist, and Sections 1-8, 13, 15, 18-21 of this act
35 being immediately necessary for the preservation of the public peace, health,
36 and safety shall become effective on July 1, 2016.