

2017 - 2019 REQUEST FOR SPECIAL LANGUAGE IN APPROPRIATION ACT

0410 Securities Department

ACT#: 267

SECTION#: 6

CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)

EXECUTIVE RECOMMENDATION

CONTINGENCY RESTRICTION. In the event additional appropriations become necessary that are not authorized or contemplated in Section 3 of this Act and specific cases, situations, and/or programs make it necessary that the State Securities Department receives additional appropriations to carry out the objectives of the agency, the Securities Commissioner is hereby authorized to request the approval of the Governor, the Chief Fiscal Officer of the State and prior approval by the Arkansas Legislative Council or Joint Budget Committee for transfers of the appropriations provided in the Contingency line item of Section 3 of this Act to other line items within Section 3. In no event shall the transfers in any fiscal year exceed the appropriations provided in the Contingency line item of Section 3 of this Act. The Governor may approve or modify such request for transfer of appropriations as in his judgment he deems necessary, and shall inform the Chief Fiscal Officer of the State and receive review and prior approval by the Arkansas Legislative Council or Joint Budget Committee. Upon notification, the Chief Fiscal Officer of the State shall direct the State Auditor to process said transfer upon his books in accordance with the provisions as set out herein.

Determining the maximum number of employees and the maximum amount of appropriation and 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 in the appropriation act(s) for a state agency and the 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 State Securities

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Department may operate more efficiently if some flexibility is provided to the State Securities Department authorizing broad powers under this section. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or Joint Budget Committee as provided by this section. The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement of approval by the Legislative Council or Joint Budget Committee is ruled unconstitutional by a court of competent jurisdiction, this entire section is void.

The provisions of this section shall be in effect only from July 1, ~~2016~~ 2017 through June 30, ~~2017~~ 2018.

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SECTION#: 7

CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)

EXECUTIVE RECOMMENDATION

QUARTERLY REPORTS. The State Securities Department shall on a quarterly basis provide to the Arkansas Legislative Council or Joint Budget committee a report of all funds received or any external fund transactions recognized or required through court orders or settlement agreements. The report shall include:

- a) The case name of the court order or settlement agreement.
- b) The amount of funds received or transaction recognized or required by the State Securities Department for each court order or settlement agreement.
- c) A plan for disbursement of the received funds. If funds received from a court order or settlement agreement are expended for any purpose, including investor education and enforcement activities, the report must itemize specific activities subject to the exclusions provided in Ark. Code Ann. 25-1-403(1)(B). The report shall also itemize the specific investor education and enforcement activities funded for the State Securities Department.
- d) An explanation of whether the funds received or transactions recognized or required from a court order or settlement are directed to a specific entity, and if so, the State Securities Department shall provide a summary of input regarding the drafting of the court order or settlement agreement.
- e) A report of the rationale for disbursing funds to a specific entity if the State Securities Department receives funds from a court order or settlement agreement that does not require disbursement of funds to a specific entity.

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f) A report of current balances of all unappropriated fund holdings received by court order or settlement agreement by the State Securities Department.

g) The quarterly reports shall be provided no later than the 15th day of the month immediately following the end of each quarter.

The provisions of this section shall be in effect only from July 1, ~~2016~~ 2017 through June 30, ~~2017~~ 2018.