ARKANSAS REGISTER

Transmittal Sheet

Use only for **FINAL** and **EMERGENCY RULES**

Secretary of State
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For Office Use Only:

Effective Date _____ Code Number _____

Name of Agency Treasurer of State

Department State Board of Finance - Investment

Contact TJ Fowler E-mail Tj.fowler@artreasury.gov Phone (501) 682-9422

Statutory Authority for Promulgating Rules Acts 555, 644 and 710 of 2017

Rule Title: Money Management Trust Policy and Procedures Manual

Intended Effective Date (Check One)		Date
☐ Emergency (ACA 25-15-204)	Legal Notice Published	9/20/17
☑ 10 Days After Filing (ACA 25-15-204)	Final Date for Public Comment	10/19/17
☐ Other _____ (Must be more than 10 days after filing date.)	Reviewed by Legislative Council	12/15/17
	Adopted by State Agency	12/15/17

Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)

Contact Person	E-mail Address	Date
Brandon Smith	Brandon.Smith@dfa.arkansas.gov	12/18/2017

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)

FILED
AR REGISTER DIV
2017 DEC 18 AM 9:53
MARK MARTIN
SECRETARY OF STATE
STATE OF ARKANSAS
BY

_____
Signature

(501) 682-7750 Brandon.Smith@dfa.arkansas.gov
Phone Number E-mail Address

Public Information Specialist
Title

12/18/2017
Date

Revised 7/2015 to reflect new legislation passed in the 2015 Regular Session (Act 1258). This act changed the effective date from 30 days to 10 days after filing the rule.

Agency #045.00

RULE 2017-5

COMPUTATION OF DAILY RATE OF RETURN OF THE STMMT

The State Board of Finance, State of Arkansas, pursuant to authority under *Ark. Code Ann.* § 19-3-518 as amended by Act 555 of 2017, §19-3-704 et seq. and 25-15-201 et seq., does hereby issue the following Rule:

1. Compute the daily rate of return of the STMMT for the previous month. The daily rate of return will be calculated as a monthly annualized yield assuming daily amortization/accretion of all fixed income securities held by the Trust and any realized profits or losses;
2. Compute the net daily rate of return of the STMMT by subtracting the management fee rate from the daily rate of return;
3. Calculate the daily earnings of each participant by multiplying the participant's daily balance on deposit in the STMMT by the net daily rate of return;
4. The monthly sum of each participant's daily earnings, less any administrative charges, will be credited to each participant's account and reinvested, unless otherwise instructed by the participant.

Issued this _____ day of September 2017 in the City of Little Rock, Pulaski County, Arkansas.

Larry W. Walther, Director
Arkansas Department of Finance and Administration

Dennis Milligan, Treasurer, State of Arkansas

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT State Board of Finance

DIVISION Investment – Money Management Trust Policy and Procedures

PERSON COMPLETING THIS STATEMENT TJ Fowler

TELEPHONE 501-682-9422 FAX _____ EMAIL: Tj.fowler@artreasury.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Money Management Trust Policy and Procedures Manual

1. Does this proposed, amended, or repealed rule have a financial impact? Yes ☐ No ☒

2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes ☒ No ☐

3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes ☒ No ☐

   If an agency is proposing a more costly rule, please state the following:

   (a) How the additional benefits of the more costly rule justify its additional cost;
   N/A

   (b) The reason for adoption of the more costly rule;
   N/A

   (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;
   N/A

   (d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.
   N/A

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

   (a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year		Next Fiscal Year	
General Revenue		General Revenue	
Federal Funds		Federal Funds	
Cash Funds		Cash Funds	
Special Revenue		Special Revenue	
Other (Identify)		Other (Identify)	
Total	0	Total	0

(b) What is the additional cost of the state rule?

Current Fiscal Year		Next Fiscal Year	
General Revenue		General Revenue	
Federal Funds		Federal Funds	
Cash Funds		Cash Funds	
Special Revenue		Special Revenue	
Other (Identify)		Other (Identify)	
Total	0	Total	0

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year	Next Fiscal Year
$ 0	$ 0

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected. **There is no cost unless money is invested in the program, then the fee is 0.05% of the interest earnings.**

Current Fiscal Year	Next Fiscal Year
$ 0	$ 0

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars ($100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes ☐ No ☒

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

(1) a statement of the rule's basis and purpose;

(2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;

(3) a description of the factual evidence that:
   (a) justifies the agency's need for the proposed rule; and
   (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;

(4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

(5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

(6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and

(7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:

(a) the rule is achieving the statutory objectives;
(b) the benefits of the rule continue to justify its costs; and
(c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.