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State News

House, Senate advance surplus spending bills

*By JON GAMBRELL
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LITTLE ROCK - The Arkansas House and Senate each passed identical but separate bills Friday deciding how to spend the state's estimated \$919 million surplus, setting funding for lawmakers' projects and those of Gov. Mike Beebe.

The divvying up of the state's bulging surplus _ with the largest chunk going toward a \$456 program to repair dilapidated school buildings _ comes toward the end of a session where nearly \$200 million worth of tax cuts have also been signed into law.

The local-projects bills, coupled with the state's Revenue Stabilization Act, represent the bulk of state spending in the coming two years. The two surplus-spending bills now head to the other chambers. The stabilization act, typically one of the last major bills addressed in the session, is on its way to the governor's desk.

"We've spent the money, but we can't actually cash the checks until we pass these bills," said Sen. Shawn Womack, R-Mountain Home.

The House also voted Friday to reject a bill regarding payday lending in the state. Meanwhile, the Senate approved a bill making keeping young drivers from using cellular phones while behind the wheel and voted down another limiting physical education requirements for kindergartners through sixth-graders.

The surplus-spending bills give lawmakers \$40 million on various projects, with the House and Senate each receiving \$20 million. Beebe has discretion to spend his share of the surplus, about \$187.8 million, among \$1.3 billion in projects designated in the bill.

The largest portion of the surplus will go toward \$456 million in school facility needs throughout the state, part of the state's effort to resolve the long-running Lake View school funding case.

Surplus money will also cover a \$44 million debt the state owes the federal government and \$4 million to replace the state police plane used by Beebe. Beebe's projects that could be funded by his share include \$35 million for a "legislative constituency services" building to be located next to the state Capitol and \$25 million for the National U.S. Marshal Museum in Fort Smith.

The payday lending bill rejected by the House faced opposition from members who said it did little to reform the industry and would still allow businesses to charge triple-digit interest rates.

Earlier this month, a Senate panel rejected a House measure that would have fined lenders \$300 each time a customer is charged an interest rate above 17 percent.

The measure rejected Friday allowed customers to rescind the checks within a day and said no check casher can threaten a criminal "hot check" charge against a client for extending a loan. The proposal, which failed on a 27-57 vote, allowed the state Board of Collection Agencies to go after check cashers breaking the state's laws, giving customers the greater of twice the value of their check or \$1,000.

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Rep. David Johnson, whose payday lending bill failed before a Senate committee, said the bill by Sen. Terry Smith, D-Hot Springs, would do little to address the industry.

In the Senate, members voted 27-2 for a measure banning drivers under 18 from using cellular phones while behind the wheel. The bill comes after the House voted down another bill by Sen. Jimmy Jeffress placing new restrictions on young drivers.

"Let's just see if the House wants to walk the walk and talk the talk at the same time," said Jeffress, D-Crossett.

Senators rejected a bill cutting weekly time for physical education for kindergartners through sixth-graders. While trimming the 60-minute requirement to 40 minutes, the bill added the time back in recess requirements, which Sen. Dave Bisbee said would be better for students than having "half the class watching the other half play volleyball" in a gym class.

However, opponents questioned the move as the state tries to combat childhood obesity.

"Recess is not the same," said Sen. Tracy Steele, D-North Little Rock. "The kids will do whatever they want to do."

The Senate's Judiciary Committee heard an animal cruelty bill that makes torture and extreme abuse a felony on the second offense. A bill making the first offense a felony passed out of the Senate, but was voted down twice in a House committee.

"At least with the second offense, they'll get nailed," said Rep. Rick Saunders, D-Hot Springs, the bill's sponsor. "I beg the committee to think it's a step ahead."

But even after Womack amended the bill to make cruelty a felony on the first offense, the Senate panel still declined to bring the measure up for a vote, likely ending its chances at making it to the governor's desk this session.

Beebe signed bills into law Friday making theft of copper and other building materials from a construction site a felony and creating an umbilical cord blood bank.

Also Friday, a House committee rejected a proposal to add a 5 percent tax on liquor sales for off-premises consumption.

The liquor tax, sponsored by Sen. Hank Wilkins IV, D-Pine Bluff, would have raised \$10 million annually support drug abuse programs, domestic violence shelters and the state's child-abuse hot line.

The proposal faced opposition from liquor wholesalers, who questioned raising a tax as the state has a projected \$919 million surplus.

A service of the Associated Press(AP)

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