

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
89th General Assembly  
Regular Session, 2013

As Engrossed: H3/28/13  
**A Bill**

SENATE BILL 541

By: Senator Maloch  
By: Representative Jean

### For An Act To Be Entitled

AN ACT TO AMEND THE LOCAL GOVERNMENT BOND ACT OF 1985; TO ALLOW REVENUES FROM THE TEMPORARY SALES AND USE TAX LEVIED UNDER AMENDMENT 91 TO THE ARKANSAS CONSTITUTION TO BE PLEDGED TO RETIRE LOCAL CAPITAL IMPROVEMENT BONDS ISSUED FOR CERTAIN PROJECTS; AND FOR OTHER PURPOSES.

### Subtitle

TO ALLOW REVENUES FROM THE TEMPORARY SALES AND USE TAX LEVIED UNDER AMENDMENT 91 TO THE ARKANSAS CONSTITUTION TO BE PLEDGED TO RETIRE LOCAL CAPITAL IMPROVEMENT BONDS ISSUED FOR CERTAIN PROJECTS.

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

SECTION 1. Arkansas Code § 14-164-303(2)(C)(xxxi), concerning the definition of "capital improvements of a public nature" under Amendment 62 to the Arkansas Constitution, is amended to read as follows:

(xxxi) Streets and street lighting, alleys, sidewalks, roads, bridges, ~~and viaducts, tunnels, overpasses, underpasses, interchanges, access roads, pedestrian walkways, and traffic control devices~~ and improvements;

SECTION 2. Arkansas Code § 14-164-303, concerning the definitions to



be used under the Local Government Bond Act of 1985, is amended to add an additional subdivision to read as follows:

(15) "Surface transportation project" means a project that involves the acquisition, construction, reconstruction, widening, extension, or maintenance of streets, alleys, or roadways, including without limitation bridges, viaducts, tunnels, overpasses, underpasses, interchanges, access roads, sidewalks, lighting, pedestrian walkways, curbs, gutters, other drainage structures and improvements, street lighting, traffic control devices and improvements, land and right-of-way acquisitions, and any project related thereto.

SECTION 3. Arkansas Code Title 14, Chapter 164, Subchapter 3, is amended to add an additional section to read as follows:

14-164-341. Bonds for surface transportation projects.

(a) The governing body of a municipality or county may pledge by ordinance all or a specified portion of the municipality's or county's share of collections of the temporary one-half percent (0.5%) sales and use tax levied under Amendment 91 to the Arkansas Constitution to retire bonds issued for a surface transportation project.

(b)(1) An ordinance pledging revenues under subsection (a) of this section is not effective unless the issuance of the bonds is approved by a majority of the electors of the municipality or county voting on the question at an election that is held substantially in the manner provided under § 14-164-309.

(2) The ballot form in an election to issue bonds secured by the pledge of revenues under subsection (a) of this section shall contain a statement describing the extent to which the municipality's or county's share of collections of the temporary one-half percent (0.5%) sales and use tax levied under Amendment 91 to the Arkansas Constitution may be pledged to the retirement of the bonds issued for the surface transportation project if the bonds are approved by the voters of the municipality or county.

(c) Bonds issued under this section shall not have a final maturity date later than July 1, 2023.

(d) A certified copy of the ordinance authorizing the issuance of bonds under this section shall be filed with the Director of the Department of Finance and Administration and the Treasurer of State as soon as

practicable after the approval of the issuance of the bonds by the voters.

(e)(1) If a municipality or county has filed an ordinance with the Treasurer of State under subsection (d) of this section and the municipality's or county's share of collections of the temporary one-half percent (0.5%) sales and use tax levied under Amendment 91 to the Arkansas Constitution is to be distributed to the municipality or county from the Municipal Aid Fund or the County Aid Fund, the Treasurer of State shall separately identify the amount of funds to be distributed to the municipality or county under Amendment 91 to the Arkansas Constitution.

(2) If a municipality or county has filed an ordinance with the Treasurer of State under subsection (d) of this section, the municipality or county may elect to have the funds identified by the Treasurer of State under subdivision (e)(1) of this section distributed to the bank or other depository designated in the ordinance.

(3)(A) If a municipality or county elects to have funds distributed to a bank or other depository under subdivision (e)(2) of this section, the amount identified by the Treasurer of State under subdivision (e)(1) of this section shall be distributed to the bank or other depository designated in the ordinance rather than being distributed to the municipality or county.

(B) The distribution under subdivision (e)(3)(A) of this section shall continue until the municipality or county files a signed statement with the Treasurer of State to the effect that the bonds to which the funds identified under subdivision (e)(1) of this section are pledged have been fully paid and are no longer outstanding.

SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that there is a shortage of moneys at the municipal and county level to fund contracts for surface transportation projects for which there is an immediate need in this state; that municipalities and counties can obtain funding for surface transportation projects by issuing bonds; and that this act is immediately necessary because municipalities and counties need to have the authority, with voter approval, to issue bonds payable from their share of collections of the temporary one-half percent (0.5%) sales and use tax levied under Amendment 91 to the Arkansas Constitution to finance surface transportation

projects. 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.

*/s/Maloch*