

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

State of Arkansas *As Engrossed: S3/11/15 S3/16/15 S3/30/15*
90th General Assembly
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SJR 16

By: Senator J. Woods
By: Representative Eads

SENATE JOINT RESOLUTION

AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO ENCOURAGE JOB CREATION, JOB EXPANSION, AND ECONOMIC DEVELOPMENT; REMOVING THE LIMITATION ON THE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS THAT MAY BE ISSUED UNDER AMENDMENT 82 OF THE ARKANSAS CONSTITUTION TO ATTRACT LARGE ECONOMIC DEVELOPMENT PROJECTS; AUTHORIZING A CITY, COUNTY, TOWN, OR OTHER MUNICIPAL CORPORATION TO OBTAIN OR APPROPRIATE MONEY FOR ANY CORPORATION, ASSOCIATION, INSTITUTION, OR INDIVIDUAL TO FINANCE ECONOMIC DEVELOPMENT PROJECTS AND TO *PROVIDE* ECONOMIC DEVELOPMENT SERVICES; AUTHORIZING THE ISSUANCE OF BONDS UNDER AMENDMENT 62 OF THE ARKANSAS CONSTITUTION FOR ECONOMIC DEVELOPMENT PROJECTS; AUTHORIZING THE TAXES THAT MAY BE PLEDGED TO RETIRE BONDS ISSUED UNDER AMENDMENT 62 OF THE ARKANSAS CONSTITUTION FOR ECONOMIC DEVELOPMENT PROJECTS; REMOVING THE REQUIREMENT OF A PUBLIC SALE FOR BONDS ISSUED UNDER AMENDMENT 62 OF THE ARKANSAS CONSTITUTION FOR ECONOMIC DEVELOPMENT PROJECTS; AND AUTHORIZING COMPACTS FOR ECONOMIC DEVELOPMENT PROJECTS AMONG CITIES OF THE FIRST AND SECOND CLASS, INCORPORATED TOWNS, SCHOOL DISTRICTS, AND COUNTIES.

Subtitle

AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO ENCOURAGE JOB CREATION, JOB EXPANSION, AND ECONOMIC DEVELOPMENT.



BE IT RESOLVED BY THE SENATE OF THE NINETIETH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS AND BY THE THE HOUSE OF REPRESENTATIVES, A MAJORITY OF ALL MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

That the following is proposed as an amendment to the Constitution of the State of Arkansas, and upon being submitted to the electors of the state for approval or rejection at the next general election for Representatives and Senators, if a majority of the electors voting thereon at the election adopt the amendment, the amendment shall become a part of the Constitution of the State of Arkansas, to wit:

SECTION 1. INTENT. The intent of this amendment to the Arkansas Constitution is to encourage job creation, job expansion, and economic development.

SECTION 2. Arkansas Constitution, Article 12, § 5, is amended to read as follows:

§ 5. Political subdivisions not to become stockholders in or lend credit to private corporations – Exceptions.

(a) No county, city, town or other municipal corporation, shall become a stockholder in any company, association, or corporation; or obtain or appropriate money for, or loan its credit to, any corporation, association, institution or individual.

(b) However, a county, city, town, or other municipal corporation may obtain or appropriate money for a corporation, association, institution, or individual to:

(1) Finance economic development projects; or

(2) Provide economic development services.

(c) As used in this section:

(1) "Economic development projects" means the land, buildings, furnishings, equipment, facilities, infrastructure, and improvements that are required or suitable for the development, retention, or expansion of:

(A) Manufacturing, production, and industrial facilities;

(B) Research, technology, and development facilities;

(C) Recycling facilities;
(D) Distribution centers;
(E) Call centers;
(F) Warehouse facilities;
(G) Job training facilities; and
(H) Regional or national corporate headquarters facilities;

(2) "Economic development services" means:

(A) Planning, marketing, and strategic advice and counsel regarding job recruitment, job development, job retention, and job expansion;
(B) Supervision and operation of industrial parks or other such properties; and
(C) Negotiation of contracts for the sale or lease of industrial parks or other such properties; and

(3) "Infrastructure" means:

(A) Land acquisition;
(B) Site preparation;
(C) Road and highway improvements;
(D) Rail spur, railroad, and railport construction;
(E) Water service;
(F) Wastewater treatment;
(G) Employee training which may include equipment for such purpose; and
(H) Environmental mitigation or reclamation.

(d) The General Assembly, by a three-fourths vote of each house, may amend the provisions of subsections (b) and (c) of this section so long as the amendments are germane to this section and consistent with its policy and purposes.

SECTION 3. Arkansas Constitution, Amendment 62, § 1(b), concerning local capital improvement bonds, is amended to read as follows:

(b) The limit of the principal amount of bonded indebtedness of the municipality or county which may be outstanding and unpaid at the time of issuance of any bonds secured by a tax on real or personal property, except for bonds issued for ~~industrial development purposes~~ economic development projects pursuant to Section 2 hereof, shall be a sum equal to ten percent

(10%) for a county or twenty percent (20%) for a municipality of the total assessed value for tax purposes of real and personal property in the county or municipality, as determined by the last tax assessment.

SECTION 4. Arkansas Constitution, Amendment 62, § 2, is amended to read as follows:

§ 2. Issuance of bonds to secure and develop industry – Levy of tax – Suspension of collection – Limit on tax levy.

(a) In addition to the authority for bonded indebtedness set forth in Section 1, any municipality or county may, with the consent of the majority of the voters voting on the question at an election held for that purpose, issue bonds in sums approved by such majority at that election for the purpose of financing ~~facilities for the securing and developing of industry~~ economic development projects within or near the county or municipality holding the election.

(b) To provide for payment of principal and interest of the bonds issued pursuant to the section, as they mature, the municipality or county may levy a special tax, not to exceed five (5) mills on the dollar of the taxable real and personal property therein. However, the municipality or county may, from time to time, suspend the collection of such annual levy when not required for the payment of its bonds. In no event shall any parcel of real and personal taxable property be subject to a special tax levied under the authority of this Section in excess of five (5) mills for bonds issued under this Section.

(c) Other taxes may be authorized by the General Assembly or the legislative body to retire the bonds.

(d) As used in this section:

(1) "Economic development projects" means the land, buildings, furnishings, equipment, facilities, infrastructure, and improvements that are required or suitable for the development, retention, or expansion of:

(A) Manufacturing, production, and industrial facilities;

(B) Research, technology, and development facilities;

(C) Recycling facilities;

(D) Distribution centers;

(E) Call centers;

(F) Warehouse facilities;

(G) Job training facilities; and
(H) Regional or national corporate headquarters
facilities; and

(2) "Infrastructure" means:

(A) Land acquisition;
(B) Site preparation;
(C) Road and highway improvements;
(D) Rail spur, railroad, and railport construction;
(E) Water service;
(F) Wastewater treatment;
(G) Employee training which may include equipment for such
purpose; and
(H) Environmental mitigation or reclamation.

(e) The General Assembly, by a three-fourths vote of each house, may
amend the provisions of subsection (d) of this section so long as the
amendments are germane to this section and consistent with its policy and
purposes.

SECTION 5. Arkansas Constitution, Amendment 62, § 3, is repealed.

~~§ 3. Sale of bonds — Procedure.~~

~~The bonds described in Section 2 hereof shall be sold only at public~~
~~sale after twenty (20) days advertisement in a newspaper having a bona fide~~
~~circulation in the municipality or county issuing such bonds; provided,~~
~~however, that the municipality or county may exchange such bonds for bonds of~~
~~like amount, rate or interest, and length of issue.~~

SECTION 6. Arkansas Constitution, Amendment 62, § 5, is amended to
read as follows:

§ 5. Special tax constitutes special fund — Disbursement of surplus.

The special tax for payment of bonded indebtedness authorized in
Sections 1 and 2 hereof shall constitute a special fund pledged as security
for the payment of such indebtedness. The special tax shall never be extended
for any other purpose, nor collected for any greater length of time than
necessary to retire such bonded indebtedness, ~~except that tax receipts in~~
~~excess of the amount required to retire the debt according to its terms may,~~
~~subject to covenants entered into with the holders of the bonds, be pledged~~

~~as security for the issuance of additional bonds if authorized by the voters. The tax for such additional bonds shall terminate within the time provided for the tax originally imposed. Upon retirement of the bonded indebtedness, any surplus tax collections which may have accumulated shall be transferred to the general funds of the municipality or county.~~

SECTION 7. Arkansas Constitution, Amendment 62, § 9, is amended to read as follows:

§ 9. Joint project of various governing bodies – Compact agreement elections.

(a) Whenever two or more cities of the First or Second Class, or incorporated towns, and/or one or more counties and the school districts therein, desire to join together in a combined effort to secure and develop ~~industries~~ economic development projects within one or more of such cities, towns, counties, and share in the increased revenues estimated to be received by the city, town, or county, or school district, in which the ~~industry or industries~~ economic development project or projects are to be located, they may, upon adoption by the governing bodies of each such city, town, school district, or county, enter into a compact setting forth the terms by which each of the participating cities, towns, school districts, and counties is to share in the revenues to be derived from the location of an ~~industrial plant~~ economic development project within the compact area through the combined efforts of the various participating cities, towns, school districts, and counties. Upon adoption of such compact by the governing bodies of the participating cities, towns, school districts, and/or counties, the county court of each of the counties involved shall cause a special election to be called within not more than forty-five (45) days from the date of the filing of such compact with the county court. At such special election, the qualified electors of each of the cities, towns, school districts, and counties shall vote on whether to approve the compact and the method of sharing in increased revenues to be derived by the city, school district, and/or county in which the proposed ~~industry~~ economic development project is to be located among the various participating cities, towns, counties, and school districts. The ballot at such election shall be in substantially the following form:

*“FOR the establishment of an ~~industrial~~ economic development compact and the sharing of revenues to be derived from additional taxes to be generated by new ~~industries~~ economic development projects _____
 AGAINST the establishment of an ~~industrial~~ economic development compact and the sharing of revenues to be derived from additional taxes to be generated by new ~~industries~~ economic development projects _____ ”*

Said election shall be conducted in accordance with the election laws of this State, and the results thereof tabulated and certified to the County Clerk in the manner now provided by law. If a majority of the qualified electors voting on the question vote in favor of the creation of the compact, and the sharing of revenues to be derived from new ~~industries~~ economic development projects located in the compact area, the said compact shall be implemented in accordance with the terms thereof. If a majority of the qualified electors voting on said issue vote against issue at said special election, no additional election on said issue may be held within one (1) year from the date of said election. The results of said election shall be proclaimed by the county court of each of the counties in which the county and/or cities and towns, or school districts, are located. The results of said election shall be conclusive unless attacked in the courts within thirty (30) days.

(b) As used in this section:

(1) "Economic development projects" means the land, buildings, furnishings, equipment, facilities, infrastructure, and improvements that are required or suitable for the development, retention, or expansion of:

(A) Manufacturing, production, and industrial facilities;

(B) Research, technology, and development facilities;

(C) Recycling facilities;

(D) Distribution centers;

(E) Call centers;

(F) Warehouse facilities;

(G) Job training facilities; and

(H) Regional or national corporate headquarters

facilities; and

(2) "Infrastructure" means:

(A) Land acquisition;

(B) Site preparation;

(C) Road and highway improvements;
(D) Rail spur, railroad, and railport construction;
(E) Water service;
(F) Wastewater treatment;
(G) Employee training which may include equipment for such purpose; and

(H) Environmental mitigation or reclamation.

(c) The General Assembly, by a three-fourths vote of each house, may amend the provisions of subsection (b) of this section so long as the amendments are germane to this section and consistent with its policy and purposes.

SECTION 8. Arkansas Constitution, Amendment 82, is amended to read as follows:

(a) In order for the State of Arkansas to effectively compete for large economic development projects, the Arkansas General Assembly, meeting in special or regular session, may authorize the ~~Arkansas~~ Arkansas Development Finance Authority to issue general obligation bonds to finance infrastructure or other needs to attract large economic development projects.

~~(b) Bonds may be issued for an amount up to five percent (5%) of state general revenues collected during the most recent fiscal year.~~

~~(e)~~(b) Infrastructure needs may include, but are not limited to:

(1) Land acquisition;

(2) Site preparation;

(3) Road and highway improvements;

(4) Rail spur, railroad, and railport construction;

~~(5)~~ water Water service;

~~(5)~~(6) Wastewater treatment;

~~(6)~~(7) Employee training which may include equipment for such purpose;

~~(7)~~(8) Environmental mitigation or reclamation; and

~~(8)~~(9) Training and research facilities and the necessary equipment therefore.

~~(d)~~(c) The General Assembly may authorize the issuance of bonds bearing the full faith and credit of the State of Arkansas if the prospective employer planning an economic development project is eligible under criteria

established by law.

~~(e)~~(d) *The bonds shall be paid for in full by general or special revenues appropriated by the General Assembly until the bonds have been retired and all obligations associated with the issuance of the bonds have been met.*

~~(f)~~(e) *Bonds may be issued under this amendment pursuant to an act of the General Assembly without voter approval.*

SECTION 9. SEVERABILITY. The provisions of this amendment are severable, and if any should be held invalid, the remainder shall stand.

SECTION 10. BALLOT TITLE AND POPULAR NAME. When this proposed amendment is submitted to the electors of this state on the general election ballot:

(1) The title of this Joint Resolution shall be the ballot title; and

(2) The popular name shall be "An Amendment to the Arkansas Constitution Concerning Job Creation, Job Expansion, and Economic Development.

/s/J. Woods