

1 State of Arkansas  
2 90th General Assembly  
3 Regular Session, 2015  
4  
5 By: Senator J. Woods  
6 By: Representative Eads  
7

*As Engrossed: S3/11/15*

SJR 16

**SENATE JOINT RESOLUTION**

*AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO  
ENCOURAGE ECONOMIC DEVELOPMENT; 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 FUND 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; 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 PROMOTE 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:



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

7  
8 *SECTION 1. Arkansas Constitution, Article 12, § 5, is amended to read*  
9 *as follows:*

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

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

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

19 *(1) Finance economic development projects; or*

20 *(2) Fund economic development services.*

21 *(c) As used in this section:*

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

25 *(A) Manufacturing and industrial facilities;*

26 *(B) Research and development facilities;*

27 *(C) Recycling facilities;*

28 *(D) Distribution centers;*

29 *(E) Call centers;*

30 *(F) Warehouse facilities;*

31 *(G) Job training facilities; and*

32 *(H) Regional or national corporate headquarters*

33 *facilities;*

34 *(2) "Economic development services" means planning, marketing,*  
35 *strategic advice, and counsel regarding job recruitment, development,*  
36 *retention and expansion, supervision and operation of industrial parks, or*

1 such other properties and negotiation of contracts for the sale or lease of  
 2 industrial parks or other such properties; and

3 (3)(A) "Infrastructure" means land acquisition, site  
 4 preparation, road and highway improvements, rail spur and railroad  
 5 construction, water service, wastewater treatment, and employee training.

6 (B) "Infrastructure" includes without limitation:

7 (i) Equipment for the purposes under subdivision  
 8 (c)(3)(A) of this section; and

9 (ii) Environmental mitigation or reclamation.

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

14  
 15 SECTION 2. Arkansas Constitution, Amendment 62, § 1(b), concerning  
 16 local capital improvement bonds, is amended to read as follows:

17 (b) The limit of the principal amount of bonded indebtedness of the  
 18 municipality or county which may be outstanding and unpaid at the time of  
 19 issuance of any bonds secured by a tax on real or personal property, except  
 20 for bonds issued for ~~industrial development purposes~~ economic development  
 21 projects pursuant to Section 2 hereof, shall be a sum equal to ten percent  
 22 (10%) for a county or twenty percent (20%) for a municipality of the total  
 23 assessed value for tax purposes of real and personal property in the county  
 24 or municipality, as determined by the last tax assessment.

25  
 26 SECTION 3. Arkansas Constitution, Amendment 62, § 2, is amended to  
 27 read as follows:

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

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

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

10           (c) *Other taxes may be authorized by the General Assembly or the*  
11 *legislative body to retire the debt.*

12           (d) *As used in this section:*

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

16                           (A) *Manufacturing and industrial facilities;*

17                           (B) *Research and development facilities;*

18                           (C) *Recycling facilities;*

19                           (D) *Distribution centers;*

20                           (E) *Call centers;*

21                           (F) *Warehouse facilities;*

22                           (G) *Job training facilities; and*

23                           (H) *Regional or national corporate headquarters*  
24 *facilities; and*

25                   (2)(A) *"Infrastructure" means land acquisition, site*  
26 *preparation, road and highway improvements, rail spur and railroad*  
27 *construction, water service, wastewater treatment, and employee training.*

28                           (B) *"Infrastructure" includes without limitation:*

29                                   (i) *Equipment for the purposes under subdivision*  
30 *(d)(2)(A) of this section; and*

31                                   (ii) *Environmental mitigation or reclamation.*

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

36

1           SECTION 4. Arkansas Constitution, Amendment 62, § 3, is repealed.

2           ~~§ 3. Sale of bonds — Procedure.~~

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

8  
9           SECTION 5. Arkansas Constitution, Amendment 62, § 5, is amended to  
10 read as follows:

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

12           The special tax for payment of bonded indebtedness authorized in  
13 Sections 1 and 2 hereof shall constitute a special fund pledged as security  
14 for the payment of such indebtedness. The special tax shall never be extended  
15 for any other purpose, nor collected for any greater length of time than  
16 necessary to retire such bonded indebtedness, ~~except that tax receipts in~~  
17 ~~excess of the amount required to retire the debt according to its terms may,~~  
18 ~~subject to covenants entered into with the holders of the bonds, be pledged~~  
19 ~~as security for the issuance of additional bonds if authorized by the voters.~~  
20 ~~The tax for such additional bonds shall terminate within the time provided~~  
21 ~~for the tax originally imposed. Upon retirement of the bonded indebtedness,~~  
22 any surplus tax collections which may have accumulated shall be transferred  
23 to the general funds of the municipality or county.

24  
25           SECTION 6. Arkansas Constitution, Amendment 62, § 9, is amended to  
26 read as follows:

27           § 9. Joint project of various governing bodies — Compact agreement  
28 elections.

29           (a) Whenever two or more cities of the First or Second Class, or  
30 incorporated towns, and/or one or more counties and the school districts  
31 therein, desire to join together in a combined effort to secure and develop  
32 industries economic development projects within one or more of such cities,  
33 towns, counties, and share in the increased revenues estimated to be received  
34 by the city, town, or county, or school district, in which the ~~industry or~~  
35 industries economic development project or projects are to be located, they  
36 may, upon adoption by the governing bodies of each such city, town, school

1 district, or county, enter into a compact setting forth the terms by which  
 2 each of the participating cities, towns, school districts, and counties is to  
 3 share in the revenues to be derived from the location of an ~~industrial plant~~  
 4 economic development project within the compact area through the combined  
 5 efforts of the various participating cities, towns, school districts, and  
 6 counties. Upon adoption of such compact by the governing bodies of the  
 7 participating cities, towns, school districts, and/or counties, the county  
 8 court of each of the counties involved shall cause a special election to be  
 9 called within not more than forty-five (45) days from the date of the filing  
 10 of such compact with the county court. At such special election, the  
 11 qualified electors of each of the cities, towns, school districts, and  
 12 counties shall vote on whether to approve the compact and the method of  
 13 sharing in increased revenues to be derived by the city, school district,  
 14 and/or county in which the proposed ~~industry~~ economic development project is  
 15 to be located among the various participating cities, towns, counties, and  
 16 school districts. The ballot at such election shall be in substantially the  
 17 following form:

18  
 19 "FOR the establishment of an ~~industrial~~ economic development compact and the  
 20 sharing of revenues to be derived from additional taxes to be generated by  
 21 new ~~industries~~ economic development projects \_\_\_\_\_  
 22 AGAINST the establishment of an ~~industrial~~ economic development compact and  
 23 the sharing of revenues to be derived from additional taxes to be generated  
 24 by new ~~industries~~ economic development projects \_\_\_\_\_"

25  
 26 Said election shall be conducted in accordance with the election laws of this  
 27 State, and the results thereof tabulated and certified to the County Clerk in  
 28 the manner now provided by law. If a majority of the qualified electors  
 29 voting on the question vote in favor of the creation of the compact, and the  
 30 sharing of revenues to be derived from new ~~industries~~ economic development  
 31 projects located in the compact area, the said compact shall be implemented  
 32 in accordance with the terms thereof. If a majority of the qualified electors  
 33 voting on said issue vote against issue at said special election, no  
 34 additional election on said issue may be held within one (1) year from the  
 35 date of said election. The results of said election shall be proclaimed by  
 36 the county court of each of the counties in which the county and/or cities

1 and towns, or school districts, are located. The results of said election  
2 shall be conclusive unless attacked in the courts within thirty (30) days.

3 (b) As used in this section:

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

7 (A) Manufacturing and industrial facilities;

8 (B) Research and development facilities;

9 (C) Recycling facilities;

10 (D) Distribution centers;

11 (E) Call centers;

12 (F) Warehouse facilities;

13 (G) Job training facilities; and

14 (H) Regional or national corporate headquarters  
15 facilities; and

16 (2)(A) "Infrastructure" means land acquisition, site  
17 preparation, road and highway improvements, rail spur and railroad  
18 construction, water service, wastewater treatment, and employee training.

19 (B) "Infrastructure" includes without limitation:

20 (i) Equipment for the purposes under subdivision  
21 (b)(2)(A) of this section; and

22 (ii) Environmental mitigation or reclamation.

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

27  
28 SECTION 7. BALLOT TITLE AND POPULAR NAME. When this proposed  
29 amendment is submitted to the electors of this state on the general election  
30 ballot:

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

33 (2) The popular name shall be "An Amendment to the Arkansas  
34 Constitution Concerning Economic Development".

35  
36 /s/J. Woods