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4
5 By: Senator J. Woods
6 By: Representative Eads
7

SJR 16

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 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 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.*



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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. 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) Fund 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;*

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

4 (2) "Economic development services" means:

5 (A) Planning, marketing, and strategic advice and counsel
6 regarding job recruitment, job development, job retention, and job expansion;

7 (B) Supervision and operation of industrial parks or other
8 such properties; and

9 (C) Negotiation of contracts for the sale or lease of
10 industrial parks or other such properties; and

11 (3) "Infrastructure" means:

12 (A) Land acquisition;

13 (B) Site preparation;

14 (C) Road and highway improvements;

15 (D) Rail spur, railroad, and railport construction;

16 (E) Water service;

17 (F) Wastewater treatment;

18 (G) Employee training which may include equipment for such
19 purpose; and

20 (H) Environmental mitigation or reclamation.

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

25
26 SECTION 2. Arkansas Constitution, Amendment 62, § 1(b), concerning
27 local capital improvement bonds, is amended to read as follows:

28 (b) The limit of the principal amount of bonded indebtedness of the
29 municipality or county which may be outstanding and unpaid at the time of
30 issuance of any bonds secured by a tax on real or personal property, except
31 for bonds issued for ~~industrial development purposes~~ economic development
32 projects pursuant to Section 2 hereof, shall be a sum equal to ten percent
33 (10%) for a county or twenty percent (20%) for a municipality of the total
34 assessed value for tax purposes of real and personal property in the county
35 or municipality, as determined by the last tax assessment.

36

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

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

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

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

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

23 (d) As used in this section:

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

27 (A) Manufacturing, production, and industrial facilities;

28 (B) Research, technology, and development facilities;

29 (C) Recycling facilities;

30 (D) Distribution centers;

31 (E) Call centers;

32 (F) Warehouse facilities;

33 (G) Job training facilities; and

34 (H) Regional or national corporate headquarters
35 facilities; and

36 (2) "Infrastructure" means:

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

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

14
15 SECTION 4. Arkansas Constitution, Amendment 62, § 3, is repealed.

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

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

22
23 SECTION 5. Arkansas Constitution, Amendment 62, § 5, is amended to
24 read as follows:

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

26 The special tax for payment of bonded indebtedness authorized in
27 Sections 1 and 2 hereof shall constitute a special fund pledged as security
28 for the payment of such indebtedness. The special tax shall never be extended
29 for any other purpose, nor collected for any greater length of time than
30 necessary to retire such bonded indebtedness, ~~except that tax receipts in~~
31 ~~excess of the amount required to retire the debt according to its terms may,~~
32 ~~subject to covenants entered into with the holders of the bonds, be pledged~~
33 ~~as security for the issuance of additional bonds if authorized by the voters.~~
34 ~~The tax for such additional bonds shall terminate within the time provided~~
35 ~~for the tax originally imposed. Upon retirement of the bonded indebtedness,~~
36 any surplus tax collections which may have accumulated shall be transferred

1 to the general funds of the municipality or county.

2
3 SECTION 6. Arkansas Constitution, Amendment 62, § 9, is amended to
4 read as follows:

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

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

32
33 “FOR the establishment of an ~~industrial~~ economic development compact and the
34 sharing of revenues to be derived from additional taxes to be generated by
35 new ~~industries~~ economic development projects _____
36 AGAINST the establishment of an ~~industrial~~ economic development compact and

1 *the sharing of revenues to be derived from additional taxes to be generated*
2 *by new ~~industries~~ economic development projects _____ "*

3
4 *Said election shall be conducted in accordance with the election laws of this*
5 *State, and the results thereof tabulated and certified to the County Clerk in*
6 *the manner now provided by law. If a majority of the qualified electors*
7 *voting on the question vote in favor of the creation of the compact, and the*
8 *sharing of revenues to be derived from new ~~industries~~ economic development*
9 *projects located in the compact area, the said compact shall be implemented*
10 *in accordance with the terms thereof. If a majority of the qualified electors*
11 *voting on said issue vote against issue at said special election, no*
12 *additional election on said issue may be held within one (1) year from the*
13 *date of said election. The results of said election shall be proclaimed by*
14 *the county court of each of the counties in which the county and/or cities*
15 *and towns, or school districts, are located. The results of said election*
16 *shall be conclusive unless attacked in the courts within thirty (30) days.*

17 (b) As used in this section:

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

21 (A) Manufacturing, production, and industrial facilities;

22 (B) Research, technology, and development facilities;

23 (C) Recycling facilities;

24 (D) Distribution centers;

25 (E) Call centers;

26 (F) Warehouse facilities;

27 (G) Job training facilities; and

28 (H) Regional or national corporate headquarters

29 facilities; and

30 (2) "Infrastructure" means:

31 (A) Land acquisition;

32 (B) Site preparation;

33 (C) Road and highway improvements;

34 (D) Rail spur, railroad, and railport construction;

35 (E) Water service;

36 (F) Wastewater treatment;

1 (G) Employee training which may include equipment for such
 2 purpose; and

3 (H) Environmental mitigation or reclamation.

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

8
 9 SECTION 7. Arkansas Constitution, Amendment 82, is amended to read as
 10 follows:

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

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

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

19 (1) Land acquisition;

20 (2) Site preparation;

21 (3) Road and highway improvements;

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

23 ~~(5) water~~ Water service;

24 ~~(5)~~(6) Wastewater treatment;

25 ~~(6)~~(7) Employee training which may include equipment for such
 26 purpose;

27 ~~(7)~~(8) Environmental mitigation or reclamation; and

28 ~~(8)~~(9) Training and research facilities and the necessary
 29 equipment therefore.

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

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

1 *been met.*

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

4

5 *SECTION 8. BALLOT TITLE AND POPULAR NAME. When this proposed*
6 *amendment is submitted to the electors of this state on the general election*
7 *ballot:*

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

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

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14 */s/J. Woods*

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