

1 State of Arkansas *As Engrossed: S3/11/15 S3/16/15 S3/30/15*
2 90th General Assembly
3 Regular Session, 2015
4
5 By: Senator J. Woods
6 *By: Representative Eads*
7

SJR 16

8 **SENATE JOINT RESOLUTION**

9 AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO
10 ENCOURAGE JOB CREATION, JOB EXPANSION, AND ECONOMIC
11 DEVELOPMENT; REMOVING THE LIMITATION ON THE PRINCIPAL
12 AMOUNT OF GENERAL OBLIGATION BONDS THAT MAY BE ISSUED
13 UNDER AMENDMENT 82 OF THE ARKANSAS CONSTITUTION TO
14 ATTRACT LARGE ECONOMIC DEVELOPMENT PROJECTS;
15 AUTHORIZING A CITY, COUNTY, TOWN, OR OTHER MUNICIPAL
16 CORPORATION TO OBTAIN OR APPROPRIATE MONEY FOR ANY
17 CORPORATION, ASSOCIATION, INSTITUTION, OR INDIVIDUAL
18 TO FINANCE ECONOMIC DEVELOPMENT PROJECTS AND TO
19 *PROVIDE* ECONOMIC DEVELOPMENT SERVICES; AUTHORIZING
20 THE ISSUANCE OF BONDS UNDER AMENDMENT 62 OF THE
21 ARKANSAS CONSTITUTION FOR ECONOMIC DEVELOPMENT
22 PROJECTS; AUTHORIZING THE TAXES THAT MAY BE PLEDGED
23 TO RETIRE BONDS ISSUED UNDER AMENDMENT 62 OF THE
24 ARKANSAS CONSTITUTION FOR ECONOMIC DEVELOPMENT
25 PROJECTS; REMOVING THE REQUIREMENT OF A PUBLIC SALE
26 FOR BONDS ISSUED UNDER AMENDMENT 62 OF THE ARKANSAS
27 CONSTITUTION FOR ECONOMIC DEVELOPMENT PROJECTS; AND
28 AUTHORIZING COMPACTS FOR ECONOMIC DEVELOPMENT
29 PROJECTS AMONG CITIES OF THE FIRST AND SECOND CLASS,
30 INCORPORATED TOWNS, SCHOOL DISTRICTS, AND COUNTIES.
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32
33 **Subtitle**

34 AN AMENDMENT TO THE ARKANSAS CONSTITUTION
35 TO ENCOURAGE JOB CREATION, JOB EXPANSION,
36 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. 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;

1 (C) Recycling facilities;
2 (D) Distribution centers;
3 (E) Call centers;
4 (F) Warehouse facilities;
5 (G) Job training facilities; and
6 (H) Regional or national corporate headquarters
7 facilities;

8 (2) "Economic development services" means:

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

11 (B) Supervision and operation of industrial parks or other
12 such properties; and

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

15 (3) "Infrastructure" means:

16 (A) Land acquisition;

17 (B) Site preparation;

18 (C) Road and highway improvements;

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

20 (E) Water service;

21 (F) Wastewater treatment;

22 (G) Employee training which may include equipment for such
23 purpose; and

24 (H) Environmental mitigation or reclamation.

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

29
30 SECTION 3. Arkansas Constitution, Amendment 62, § 1(b), concerning
31 local capital improvement bonds, is amended to read as follows:

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

1 (10%) for a county or twenty percent (20%) for a municipality of the total
2 assessed value for tax purposes of real and personal property in the county
3 or municipality, as determined by the last tax assessment.

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

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

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

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

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

27 (d) As used in this section:

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

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

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

33 (C) Recycling facilities;

34 (D) Distribution centers;

35 (E) Call centers;

36 (F) Warehouse facilities;

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

4 (2) "Infrastructure" means:

5 (A) Land acquisition;

6 (B) Site preparation;

7 (C) Road and highway improvements;

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

9 (E) Water service;

10 (F) Wastewater treatment;

11 (G) Employee training which may include equipment for such
 12 purpose; and

13 (H) Environmental mitigation or reclamation.

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

18
 19 SECTION 5. Arkansas Constitution, Amendment 62, § 3, is repealed.

20 ~~§ 3. Sale of bonds—Procedure.~~

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

26
 27 SECTION 6. Arkansas Constitution, Amendment 62, § 5, is amended to
 28 read as follows:

29 § 5. Special tax constitutes special fund – Disbursement of surplus.

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

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

6
7 SECTION 7. Arkansas Constitution, Amendment 62, § 9, is amended to
8 read as follows:

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

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

36

1 "FOR the establishment of an ~~industrial~~ economic development compact and the
 2 sharing of revenues to be derived from additional taxes to be generated by
 3 new ~~industries~~ economic development projects _____
 4 AGAINST the establishment of an ~~industrial~~ economic development compact and
 5 the sharing of revenues to be derived from additional taxes to be generated
 6 by new ~~industries~~ economic development projects _____ "

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

21 (b) 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, production, and industrial facilities;

26 (B) Research, technology, 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; and

34 (2) "Infrastructure" means:

35 (A) Land acquisition;

36 (B) Site preparation;

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

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

12
 13 SECTION 8. Arkansas Constitution, Amendment 82, is amended to read as
 14 follows:

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

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

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

- 23 (1) Land acquisition;
 24 (2) Site preparation;
 25 (3) Road and highway improvements;
 26 (4) Rail spur, railroad, and railport construction;
 27 (5) water Water service;
 28 ~~(5)~~(6) Wastewater treatment;
 29 ~~(6)~~(7) Employee training which may include equipment for such
 30 purpose;
 31 ~~(7)~~(8) Environmental mitigation or reclamation; and
 32 ~~(8)~~(9) Training and research facilities and the necessary
 33 equipment therefore.

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

1 *established by law.*

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

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

8

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

11

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

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

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

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21 */s/J. Woods*

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