

ARKANSAS SENATE
83rd General Assembly - Regular Session, 2001
Amendment Form

Subtitle of Senate Bill No. 570

"TO REQUIRE MUNICIPALITIES AND COUNTIES TO RECEIVE AUTHORIZATION BY
THE DEPARTMENT OF EDUCATION PRIOR TO DEALING IN OR DISPOSING OF LANDS
FOR THE PURPOSE OF DEVELOPING INDUSTRIES."

Amendment No. 1 to Senate Bill No. 570.

Amend Senate Bill No. 570 as originally introduced:

Insert additional sections immediately following Section 1 to read as follows:

"SECTION 2. Arkansas Code 14-164-701 is amended to read as follows:
14-164-701. Legislative intent.

(a) It is declared and confirmed that the securing and developing of industry is vital to the economic welfare of the State of Arkansas and its people. To this end, it is necessary that the maximum flexibility be given to the counties and municipalities in the state in their efforts to retain and expand existing, and locate new, industrial facilities. This task involves the opportunity for the full utilization of the benefits of financing industrial facilities under Arkansas Constitution, Amendment 49 [repealed], and §§ 14-164-201 - 14-164-206, 14-164-208 - 14-164-224, and 14-267-101 - 14-267-113, including the exemption from ad valorem taxation of all industrial facilities which were exempt under Arkansas Constitution, Article 16, § 5, as interpreted by the Supreme Court of Arkansas in Wayland v. Snapp, 232 Ark. 57, 334 S.W. 2d 633 (1960).

~~(b) While concerns using industrial bond financing should be encouraged to make payments in lieu of ad valorem taxes and that is declared to be the general policy of the General Assembly, the final determination of whether these payments are to be made and, if made, in what amounts should be negotiated and contracted by the counties or municipalities and by the industrial concerns involved.~~

SECTION 3. Arkansas Code 14-164-703 is amended to read as follows:
14-164-703. Payments in lieu of taxes.

~~(a) In the event that a county or municipality and a lessee under a lease, or a purchaser under a contract of sale, enter into an agreement for payments in lieu of ad valorem taxes, each~~ When any city or county leases city or county property or enters into a contract for sale of city or county property to a private for-profit entity under this subchapter or any other

provision of law or the Constitution of Arkansas, the lease agreement or contract for sale shall include an obligation that the lessee or purchaser make payments in lieu of property taxes in such amount as negotiated between the parties except the amount shall be no less than fifty percent (50%) of the amount of ad valorem taxes that would be paid if the property were on the tax rolls unless the Governor and Chief Fiscal Officer of the State approve an amount of in lieu payments of less than fifty percent (50%) of the amount of ad valorem taxes that would be paid if the property were on the tax rolls. Each agreement shall provide, or, by virtue of this subchapter, shall be interpreted as providing, that all in-lieu-of-taxes payments shall be distributed to the political subdivisions which would have received ad valorem tax payments on the industrial facilities if the interest involved had not been exempt from ad valorem taxes in the proportions that the millage levied by each affected political subdivision bears to the millage levied by all affected political subdivisions, unless all such political subdivisions, including the affected school district or districts, shall otherwise agree.

(b) Prior to meeting of city or county officials where action might be taken regarding approval of in-lieu-of-taxes payments, the city or county must give at least thirty (30) days notice to school districts affected and the Chief Fiscal Officer of the State as to the date, time, and place of the meeting

~~(b)~~(c) Nothing in this section shall be construed as affecting in any manner the rights or obligations of any of the parties to any such agreements existing on the date of enactment of this subchapter providing for payments in lieu of ad valorem taxes.

SECTION 4. The Senate and House Interim Committees on Education, and the Senate and House Interim Committees on Revenue and Taxation, shall conduct a study of the impact of in-lieu-of-taxes payments on state funding of the public schools and shall study the process of negotiating in-lieu-of-taxes payments and draft any necessary legislation to improve the process.

SECTION 5. EMERGENCY. It is hereby found and determined by the General Assembly that the adequate funding of public schools is imperative; that the public schools are currently in dire need of additional funding; that this act will cause more resources to be made available to the public schools; that the sooner this act goes into effect, the sooner public schools will receive additional resources. 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 the date of its approval by the Governor. If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto."

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senators P. Malone, Mahony

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Secretary