

Hall of the House of Representatives
84th General Assembly - Regular Session, 2003
Amendment Form

Subtitle of House Bill No. 2845

"AN ACT TO AUTHORIZE REGIONAL AIRPORT AUTHORITIES TO ENTER INTO
CONTRACTS FOR ACHIEVING EFFECTIVE INTEREST RATES IN CONNECTION WITH
REVENUE BONDS ISSUED BY THE REGIONAL AIRPORT AUTHORITIES."

Amendment No. 1 to House Bill No. 2845.

Amend House Bill No. 2845 as originally introduced:

Delete everything after the Enacting Clause and substitute the following:

"SECTION 1. Arkansas Code Title 14, Chapter 362 is amended to add an additional subchapter to read as follows:

Subchapter 2 - Contracts for Effective Bond Interest Rates
14-362-201. Definitions.

As used in this subchapter:

(1) "Authority" means any authority created under the provisions of Title 14, Chapter 362, Subchapter 1 of the Arkansas Code;

(2) "Bond" means a revenue bond;

(3) "Contract for effective interest rates" means any contract to achieve a desirable effective interest rate, including, but not limited to, an investment contract, a funding agreement, an interest rate swap agreement, a currency swap agreement, a forward payment conversion agreement, a futures contract, a contract providing for payments based on levels of or changes in interest rates, a contract to exchange cash flows or a series of payments, or a contract, including options, puts or calls, issued to hedge payment rate, spread, or similar interest rate exposure; and

(4) "Revenue bond" means a revenue bond issued by, or on behalf of, an authority under the Arkansas Constitution and under an act of the Arkansas General Assembly, including all bonds, notes, certificates, or other instruments or evidences of indebtedness which constitute a revenue bond as defined in Amendment 65 to the Arkansas Constitution.

14-362-202. Contracts authorized.

(a) In connection with revenue bonds issued by an authority, the authority may enter into a contract for effective interest rates.

(b) A contract for effective interest rates may be entered into at the time the bonds are issued or at any time while the bonds are outstanding.

(c) A contract for effective interest rates may also be entered into



by authorities in connection with an agreement that secures bonds or provides liquidity for the bonds.

(d)(1) A contract for effective interest rates shall be made upon the terms and conditions established by the governing body of the authority.

(2) The contract may include terms permitting the authority to pay to, or receive from, a person or entity any loss of benefits under the contract upon an early termination or a default under the contract.

14-362-203. Payments and revenues.

(a) Payments required to be made by an authority under a contract for effective interest rates under this subchapter shall be payable from the same revenue source or sources from which the related bonds are payable.

(b) Revenues derived by an authority from a contract for effective interest rates shall be used for one (1) or more of the following purposes:

(1) The payment of the bond principal, bond premium, interest on the related bonds, or for amounts held in reserve for the bond payment;

(2) The payment of the authority's obligations under the contract; or

(3) Any purpose for which the related bonds were or could have been issued if the contract is authorized by the governing body of the authority in the same manner as the issuance of bonds.

14-362-204. Supplemental.

This subchapter is supplemental to all other provisions of state law governing the issuance of bonds by authorities and the investment of the bond proceeds.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that there is an immediate need to facilitate the issuance of revenue bonds by authorities, including the ability of authorities to enter into contracts to achieve a desirable interest rate on the bond. 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:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto."

The Amendment was read _____
By: Representative Pace
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Chief Clerk