

Department of Finance and Administration

Legislative Impact Statement

Bill: SJR16

Amendment Number: (3/11/15 Engrossment with Am. #S3)

Bill Subtitle: AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO PROMOTE ECONOMIC DEVELOPMENT.

Basic Change : Sponsor: Sen. J. Woods and Rep. Eads

SJR16, as engrossed 3/11/15, authorizes cities and counties to raise money for economic development. Among the ways money can be raised is through the issuance of bonds to be paid by taxes on real and personal property. In addition, the General Assembly or the governing body of the city or county may levy additional taxes to pay the bonded indebtedness. The proposal deletes the current limitation providing that bonds may only be sold at public sale. The city or county may also borrow money for economic development purposes as well. The amendment defines the term "economic development projects" to include land, buildings, furnishings, equipment, facilities, infrastructure, and improvements for manufacturers, research facilities, recycling facilities, distribution centers, call centers, warehouse facilities, job training facilities, and regional and national headquarters.

Amendment # S-3 changes the title and subtitle of the bill as well the definitions of the terms "economic development project," "economic development services," and "infrastructure." S-3 also proposes to amend constitutional Amend. 82 to remove an existing restriction on the issuance of economic development bonds. Currently, Amend. 82 authorizes issuance of general obligation bonds to finance economic development projects; however, such bonds may only be issued for an amount of 5% of general revenues. S3 removes the 5% cap on the amount of bonds that may be issued.

Revenue Impact :

Unknown

Taxpayer Impact :

None

Resources Required :

None

Time Required :

Adequate time provided.

Procedural Changes :

None

Legal Analysis :

Amendment S-3 removes the current 5% limitation on the amount of bonds that may be issued by the state to fund an economic development project under Amendment 82 of the Arkansas Constitution.