

1 **State of Arkansas**

2 **78th General Assembly**

3 **Regular Session, 1991**

H.J.R.

4 **By: Representatives Horn, Sanson, Jordan, Thurman, Carter, Steele, Hunton, and Whorton**

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HOUSE JOINT RESOLUTION

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FOR A PROPOSED CONSTITUTIONAL AMENDMENT TO ALLOW CITIES

9

AND COUNTIES TO INCUR FIVE (5) YEAR DEBT OBLIGATIONS AND

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TO PAY INTEREST THEREON.

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12 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE SEVENTY-EIGHTH GENERAL

13 ASSEMBLY OF THE STATE OF ARKANSAS AND BY THE ARKANSAS SENATE, A MAJORITY OF

14 ALL MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

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16 THAT the following is hereby proposed as an amendment to the

17 Constitution of the State of Arkansas, and upon being submitted to the

18 electors of the state for approval or rejection at the next general election

19 for Senators and Representatives if a majority of the electors voting thereon

20 at such election, adopt such amendment, the same shall become a part of the

21 Constitution of the State of Arkansas, to wit:

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23 "SECTION 1. (a) For the purpose of acquiring, constructing, installing

24 or renting real property or tangible personal property having an expected

25 useful life of more than one (1) year, municipalities and counties may incur

26 debt obligations maturing over a period of, or having a term, not to exceed

27 five (5) years. Such debt obligations may bear interest at a rate not to

28 exceed two percent (2%) per annum above the Federal Reserve Discount Rate at

29 the time the obligation is incurred. The aggregate principal amount of debt

30 obligations incurred by a city or a county pursuant to this section shall not

31 exceed twenty percent (20%) of the assessed value of taxable property located

32 within the municipality or ten percent (10%) of the assessed value of taxable

33 property located in the county, as determined by the last tax assessment

34 completed before the last obligation was incurred by the city or county. The

35 total annual principal and interest payments in each fiscal year on all

1 outstanding debt obligations of a municipality or a county shall be charged
2 against and paid from the revenues for such fiscal year.

3 (b) As used herein:

4 (1) 'Debt obligation' means a debt, an installment purchase
5 agreement, a lease, a lease-purchase contract, or any other similar agreement;

6 (2) 'Federal Reserve Discount Rate' means the federal reserve
7 discount rate on ninety (90) day commercial paper in effect at the federal
8 reserve bank in the federal reserve district in which Arkansas is located.

9 (c) The provisions of this section shall be self-executing."

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