

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**

A Bill

HOUSE BILL

4 **By: Representative John Miller**

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 15-5-405 TO INCREASE THE
9 AMOUNT OF QUALIFIED BONDS WHICH MAY BE GUARANTEED UNDER
10 THE SUBCHAPTER; AND FOR OTHER PURPOSES."

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Subtitle

13 "AN ACT TO INCREASE THE AMOUNT OF QUALIFIED BONDS WHICH
14 MAY BE GUARANTEED UNDER THE ARKANSAS DEVELOPMENT FINANCE
15 AUTHORITY BOND GUARANTEE ACT."

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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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19 SECTION 1. LEGISLATIVE FINDINGS AND DECLARATION OF PUBLIC NECESSITY.

20 The General Assembly hereby finds:

21 (a) That the present limitation on the amount of bond guaranties under
22 the Arkansas Development Finance Authority Bond Guaranty Act of 1985 preclude
23 the Authority from making additional loans for economic development which are
24 necessary for the continued expansion of industry within the state.

25 (b) That the economic well being of the citizens of the State of
26 Arkansas will be enhanced by providing additional loans for economic
27 development at the lowest possible interest cost.

28 For these reasons, the General Assembly hereby finds that there exists
29 in the state an immediate and urgent need to provide for authorization to the
30 Authority to guarantee additional qualified bonds in order to make additional
31 economic development loans to promote the continued expansion of industry
32 within the state by providing such loans at the lowest possible interest cost.

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34 SECTION 2. Arkansas Code 15-5-405 is amended to read as follows:

35 "15-5-405. When bonds may be guaranteed.

1 Amortization payments on qualified bonds may be guaranteed in instances
2 when:

3 (1) The authority deems the utilization of the guaranty is in the best
4 interest of the economic development of the State of Arkansas;

5 (2) The total amount of qualified bonds guaranteed at any time under
6 this subchapter will be the lesser of:

7 (A) One hundred and fifty million dollars (\$150,000,000);

8 (B) An amount equal to ten (10) times the amount on deposit at
9 that time in the Guaranty Reserve Account; or

10 (C) The amount of ADFA guaranteed bonds for which the Guaranty
11 Reserve Account is sufficient to pay debt service requirements of all ADFA
12 guaranteed bonds currently outstanding and payable in the current calendar
13 year;

14 (3) The developer of the project involved is not permitted to purchase
15 or own at any time any of such bonds;

16 (4) The developer is found to be financially responsible and that
17 sufficient income may reasonably be expected to amortize in an orderly manner
18 amortization payments of the qualified bonds; and

19 (5) A financial institution participates in the financing necessary to
20 accomplish the project; however, the authority may waive this requirement in
21 the exercise of its sound discretion, upon a sufficient showing by the
22 developer that such participation cannot be obtained, or is not feasible
23 because of justifiable circumstances, and the project involved otherwise meets
24 the other conditions of this section and § 15-5-406."

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26 SECTION 3. All provisions of this act of a general and permanent
27 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
28 Code Revision Commission shall incorporate the same in the Code.

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30 SECTION 4 . If any provision of this act or the application thereof to
31 any person or circumstance is held invalid, such invalidity shall not affect
32 other provisions or applications of the act which can be given effect without
33 the invalid provision or application, and to this end the provisions of this
34 act are declared to be severable.

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1 SECTION 5. All laws and parts of laws in conflict with this act are
2 hereby repealed.

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4 SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the
5 Seventy-Ninth General Assembly that there is an urgent need to provide for
6 additional economic development loans to promote the continued expansion of
7 industry within the state by providing loans at the lowest possible interest
8 cost. Therefore, an emergency is hereby declared to exist and this act being
9 necessary for the immediate preservation of the public peace, health and
10 safety shall be in full force and effect from and after its passage and
11 approval.

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