

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

A Bill

HOUSE BILL

4 **By: Representatives McKissack, McCuiston, S. Miller, Cunningham, Arnold, B.Wood, Rice,**
5 **Mullenix, Hawkins, McJunkin, Purdom, Fairchild, Allen, Dietz, J. Roberts, Wilkins, and**
6 **Sheid**

For An Act To Be Entitled

10 "AN ACT TO AMEND ARKANSAS CODE 14-171-202 ET SEQ, TO
11 PROVIDE FOR CONTINUATION OF STATE ASSISTANCE FOR
12 EXPENDITURES OF ELIGIBLE FACILITIES AFTER THE BONDS ISSUED
13 TO FINANCE THE ELIGIBLE FACILITIES ARE FULLY RETIRED OR
14 THE INVESTMENT OF THE CITY OR COUNTY OF ITS REVENUES IN
15 THE ELIGIBLE FACILITIES ARE FULLY REPAID; AND FOR OTHER
16 PURPOSES."

Subtitle

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19 "PERTAINING TO THE CITY-COUNTY TOURIST MEETING AND
20 ENTERTAINMENT FACILITIES ASSISTANCE LAW."

21
22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

23
24 SECTION 1. Section 14-171-202(6) of the Arkansas Code of 1987 Annotated
25 is amended to read as follows:

26 "(6) Tourist meeting facilities and tourist entertainment facilities
27 have a need for partial return of new generated tax moneys after repayment of
28 the original bonds or construction cost in order to maintain, market and
29 operate such facilities as viable venues for attracting tourists."

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31 SECTION 2. Section 14-171-202 of the Arkansas Code of 1987 Annotated is
32 amended to add the following:

33 "(7) It is in the interest of both the state and its cities and
34 counties for the state to assist any city or county in financing construction
35 of and expenditures relating to tourist meeting facilities and tourist

1 entertainment facilities by continuing to pay to the city or county, or the
2 Facilities Operating Board of eligible facilities, a portion of the increased
3 state sales tax revenues and state income tax revenues attributable to them,
4 as is provided in this subchapter."

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6 SECTION 3. Section 14-171-203 of the Arkansas Code of 1987 Annotated is
7 amended to read as follows:

8 "14-171-203. Definitions.

9 As used in this subchapter, unless the context otherwise requires:

10 (1) Amendment 13, Amendment 17, Amendment 18, and Amendment 49
11 mean, respectively, the amendments to the Constitution of the State of
12 Arkansas so numbered;

13 (2) Bonds means either general obligation bonds or revenue bonds or a
14 combination of them;

15 (3) City means any city of the first or second class in this state;

16 (4) Expenditures means capital improvements, maintenance, facility
17 advertising, and facility event inducement;

18 (5) Facility advertising means monies used to advertise and/or
19 promote and/or market the facility for regional and/or national events;

20 (6) Facility event inducement means monies used to benefit and/or to
21 operate regional and/or national events held in the facility;

22 (7) County means any county in this state;

23 (8) Delegate means a person attending a national or regional meeting;

24 (9) Delegate days means the total number of delegates attending a
25 national or regional meeting times the average number of days of attendance by
26 each delegate;

27 (10) Eligible facilities means any publicly owned tourist meeting
28 facilities or tourist entertainment facilities acquired or completed, or
29 substantially reconstructed or expanded, after December 31, 1974.

30 Manufacturing facilities are specifically excluded from this definition;

31 (11) Facilities Operating Board means a board or commission created
32 by a city or county to operate eligible facilities;

33 (12) General obligation bonds means bonds issued by a city or county
34 under Arkansas Constitution, Amendments 13, 17, 18, and 49 or similar
35 constitutional provisions, payable from the proceeds of an ad valorem tax;

1 (13) National or regional meeting means a meeting, show, or other
2 function which is intended primarily for delegates from outside this state;

3 (14) Net Operating Maintenance Cost is a set yearly cost per square
4 foot established by the National Institute of Real Estate Management
5 Experience Exchange;

6 (15) Revenue bonds means bonds issued by a city or county which are
7 limited or special rather than general obligations of the issuer and which are
8 not payable from the proceeds of an ad valorem tax;

9 (16) State income tax means the Arkansas state income tax levied and
10 being collected pursuant to the Income Tax Act of 1929;

11 (17) State sales tax means the Arkansas gross receipts tax levied and
12 being collected pursuant to the Arkansas Gross Receipts Tax Act of 1941;

13 (18) Tourist entertainment facilities means any real, personal, or
14 mixed property necessary or desirable in connection with the security and
15 developing of sports facilities;

16 (19) Tourist meeting facilities means any real, personal, or mixed
17 property necessary or desirable in connection with a convention or meeting
18 center, including, without limitation, auditoriums, exhibition halls,
19 facilities for food preparation and serving, parking facilities, and
20 administrative offices in connection with them."

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22 SECTION 4. Section 14-171-204 of the Arkansas Code of 1987 Annotated is
23 amended to read as follows:

24 "14-171-204 Application for assistance generally

25 Any city or county that has acquired or constructed, or which desires to
26 acquire or construct, eligible facilities may apply to the State Board of
27 Finance for state assistance in paying not more than eighty percent (80%) of
28 the debt service requirements, including principal, interest, and trustee's
29 and paying agent's fees and charges, on bonds issued or to be issued by the
30 city or county to finance all, or a portion of, the eligible facilities or
31 eighty percent (80%) of any amounts theretofore expended by the city or county
32 from its revenues to acquire or construct eligible facilities increased by an
33 annual rate of interest equal to the lowest average rate paid by the affected
34 city or county on its then last preceding issue of general obligation bonds
35 until repayment in full of the investment of the city or county in eligible

1 facilities with such assumed accrued and accruing interest. When the bonds
2 issued to finance the eligible facilities or the investment of the city or
3 county of its revenue in the eligible facilities has been repaid with accrued
4 and accruing interest, the city or county may continue to apply to the State
5 Board of Finance for continuing state assistance in paying expenditures
6 relating to the eligible facilities."

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8 SECTION 5. Section 14-171-208(b) of the Arkansas Code of 1987 Annotated
9 is amended to read as follows:

10 "(b) If the State Board of Finance determines that the facilities
11 described in the application are eligible facilities and that the financing
12 of, expenditures of, or repayment for such eligible facilities through a
13 combination of bonds or other sources of revenue of the applicant and state
14 assistance under this subchapter is in the best interest of the applicant and
15 the state, the application shall be approved; otherwise the application shall
16 be denied."

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18 SECTION 6. Section 14-171-208(c)(4) of the Arkansas Code of 1987
19 Annotated is amended to read as follows:

20 "(4) The estimated principal and interest requirements for the bonds
21 issued in connection with the eligible facilities or amounts necessary to
22 repay the investment by a city or county in eligible facilities or the
23 expenditures of eligible facilities."

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25 SECTION 7. Section 14-171-210 of the Arkansas Code of 1987 Annotated is
26 amended to read as follows:

27 "14-171-210 State assistance

28 (a) If the application provided for in §§14-171-204 - 14-171-209 is
29 approved, the State Board of Finance shall fix the amount of state assistance
30 to the city or county to repay its investment or for paying debt service on
31 the bonds issued to finance, in whole or in part, the eligible facilities if
32 requested by the city or county affected, or to pay the cost of expenditures
33 relating to the eligible facilities, and on behalf of the state, shall enter
34 into an agreement providing for the payment of the amount so fixed in
35 quarterly payments and shall certify the amount to the State Treasurer.

1 (b) If the city or county has two (2) or more issues of bonds
2 outstanding to finance eligible facilities, the amount of state assistance
3 shall be fixed separately for each issue. If the city or county has issued
4 only one (1) issue of bonds or if only one (1) issue remains to be repaid or
5 if the state assistance is for payment of costs of expenditures of eligible
6 facilities, only one (1) amount of state assistance shall be fixed.

7 (c) The total amount of state assistance shall be fixed as follows:

8 (1) In the case of tourist meeting facilities and tourist entertainment
9 facilities for which the city or county has issued and has outstanding bonds
10 for the purpose of financing, in whole or in part, the eligible facilities,
11 the total amount of state assistance shall be fixed at not less than one-third
12 (1/3) nor more than two-thirds (2/3) of the additional state sales tax
13 revenues and additional state income tax revenues estimated to be generated by
14 the eligible facilities;

15 (2) In case the bonds issued to finance the eligible facilities are
16 fully retired or the investments of the city or county of its revenue in the
17 eligible facilities has been repaid with accrued and accruing interest as
18 provided in this subchapter, the total amount of state assistance shall be
19 fixed at not less than the Net Operating Maintenance Cost as last published by
20 the National Institute of Real Estate Management Experience Exchange, which
21 was five dollars (\$5.00) per square foot of facilities per year in 1991, not
22 to exceed two-thirds (2/3) of the additional state sales tax revenues and
23 additional state income tax revenues estimated to be generated by the eligible
24 facilities to be calculated in the same manner as calculated prior to the
25 bonds issued to finance the eligible facilities being fully retired or the
26 investment of the city or county of its revenues in the eligible facilities
27 being repaid with accrued and accruing interest as provided by this
28 subchapter.

29 (d) It shall be a condition to any payments under this subchapter that
30 the city or county has issued and has outstanding, or has paid outstanding,
31 bonds for the purpose of financing, in whole or in part, the eligible
32 facilities, but this shall not limit the provisions in this subchapter for
33 repayment of a city or county investment or expenditures, heretofore made, in
34 eligible facilities.

35 (e) The payments provided for in this subchapter shall be subject to

1 the approval of and specific appropriation by the General Assembly and shall
2 be for a term of not longer than two (2) years, but may, subject to the
3 approval of and appropriation by the General Assembly, be extended from time
4 to time for additional terms of not to exceed two (2) years each."

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6 SECTION 8. Section 14-171-212(a) of the Arkansas Code of 1987 Annotated
7 is amended to read as follows:

8 "(a) The Treasurer of State shall monthly, before making the percentage
9 distributions of general revenues as provided by law, deduct from the General
10 Revenue Fund Account of the State Apportionment Fund an amount of moneys
11 necessary to meet the quarterly payments to cities and counties that are
12 parties to an agreement with the state entered into pursuant to §§14-171-204 -
13 14-171-210 and shall credit them to the City-County Tourist Facilities Aid
14 Fund, and shall quarterly pay over the amounts to each city and county or, in
15 the case of tourist meeting facilities and tourist entertainment facilities
16 for which the bonds issued to finance the eligible facilities are fully
17 retired or the investment of the city or county of its revenues in the
18 eligible facilities has been repaid with accrued and accruing interest as
19 provided in this subchapter, to the Facilities Operating Board of eligible
20 facilities of each city and county, provided that the General Assembly shall
21 have approved such payments and appropriated funds for them."

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23 SECTION 9. Section 14-171-213(a) of the Arkansas Code of 1987 Annotated
24 is amended to read as follows:

25 "(a) The State Board of Finance shall certify to the Treasurer of State
26 the amount of assistance to each city or county, or to the Facilities
27 Operating Board of eligible facilities for each city or county, for paying
28 debt service on the bonds issued to finance, in whole or in part, or for the
29 expenditures relating to, the eligible facilities for which the board has, on
30 behalf of the state, entered into an agreement providing for the payment of
31 the amounts so fixed in quarterly payments to each city or county or to the
32 Facilities Operating Board of eligible facilities for each city or county."

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34 SECTION 10. Section 14-171-215(d) of the Arkansas Code of 1987
35 Annotated is amended to read as follows:

1 "(d) When the bonds issued to finance the eligible facilities are fully
2 retired or the investment of the city or county of its revenues in the
3 eligible facilities has been repaid with accrued and accruing interest as
4 provided in this subchapter, the city or county may continue to apply to the
5 State Board of Finance for continuing state assistance in paying the costs of
6 expenditures relating to the eligible facilities to be used by the Facilities
7 Operating Board as follows: not less than sixty percent (60%) for capital
8 improvements and maintenance; not more than twenty-five percent (25%) nor less
9 than ten percent (10%) for facility advertising; and not more than fifteen
10 percent (15%) nor less than five percent (5%) for facility event inducement."

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13 SECTION 11. All provisions of this act of a general and permanent
14 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
15 Code Revision Commission shall incorporate the same in the Code.

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17 SECTION 12. If any provision of this act or the application thereof to
18 any person or circumstance is held invalid, such invalidity shall not affect
19 other provisions or applications of the act which can be given effect without
20 the invalid provision or application, and to this end the provisions of this
21 act are declared to be severable.

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23 SECTION 13. All laws and parts of laws in conflict with this act are
24 hereby repealed.

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