State of Arkansas
84th General Assembly
Regular Session, 2003

A Bill

HOUSE BILL 2228

By: Representative Rosenbaum

For An Act To Be Entitled

THE ARKANSAS GENERAL OBLIGATION ECONOMIC DEVELOPMENT SUPERPROJECTS BOND AND PROJECT FUNDING ACT.

Subtitle

THE ARKANSAS GENERAL OBLIGATION ECONOMIC DEVELOPMENT SUPERPROJECTS BOND AND PROJECT FUNDING ACT.

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

SECTION 1. This act may be referred to and cited as the "Arkansas General Obligation Economic Development Superprojects Bond and Project Funding Act".

SECTION 2. As used in this act:

(1) "Authority" means the Arkansas Development Finance Authority and any successor agency or department;

(2) "Bonds" means bonds issued under this act;

(3) "Debt service" means principal, interest, redemption premiums, if any, and trustees', paying agents', dissemination agents', and like servicing fees relative to the bonds;

(4) "Department" means the Arkansas Department of Economic Development;

(5) "Develop" means to plan, design, construct, acquire by purchase or by eminent domain, own, operate, rehabilitate, lease as lessor or lessee,

enter into lease-purchase agreements with respect to, lend, make grants in respect of, or install or equip any lands, buildings, improvements, machinery, equipment, or other properties of whatever nature, real, personal, or mixed;

(6) "Federal Deposit Insurance Corporation" means the federal agency by that name or any successor agency that insures deposits of commercial banks;

(7) "General revenues" means the revenues described and enumerated in Subchapter 2 of the Revenue Classification Law of Arkansas or in any successor law;

(8) "Infrastructure of a superproject" means:

(A) Land acquisition;

(B) Site preparation;

(C) Road and highway improvements;

(D) Rail spur construction;

(E) Water service;

(F) Wastewater treatment;

(G) Employee training which may include equipment used for the training;

(H) Environmental mitigation; and

(I) Training and research facilities and the necessary equipment for the facilities;

(9) "Investment" means money expended by the sponsor on capital assets directly related to the superproject and does not include amounts expended in aid of the superproject by the state pursuant to this act or otherwise, or amounts expended in aid of the superproject by a local entity, however financed;

(10) "Local entity" means any nonprofit corporation, county, city of the first class, city of the second class, incorporated town, improvement district, or school district in the state or any agency or instrumentality thereof including the authority and the department;

(11) "Nationally recognized rating agency" means Moody's Investors Service, Inc., Standard & Poor's Ratings Group, or any other nationally recognized rating agency approved by the Treasurer of State;

(12) "New full-time permanent employee" means a position or job which was created pursuant to signed incentive plan between the sponsor and the

department and which is filled by one (1) or more employees or contractual employees who are Arkansas taxpayers. The position or job held by such employee or employees must have been filled for at least twenty-six (26) consecutive weeks with an average of at least thirty (30) hours per week. A contractual employee must be offered a benefits package comparable to a direct employee of the sponsor.

(13) "New job" means a position for a new full-time permanent employee created at a superproject in this state but does not include a job created when an employee is shifted from an existing location in this state to a new or expanded facility if the transferred job is from, or to, a superproject of the sponsor or a related person;

(14) "Person" means any local entity or any individual, corporation, trust, limited liability company, or partnership;

(15) "Project costs" means:

(A) All or any part of the costs of developing a superproject, costs incidental or appropriate to the project including, without limitation, all costs to the department associated with the development or operation of a superproject in a supervisory capacity; and

(B) Costs incidental or appropriate to the financing of the project, including, without limitation, capitalized interest, costs of issuance of and appropriate reserves for the bonds, loan, or commitment fees, loan, or grant administration fees, and costs for engineering, legal, and other administrative and consultant services;

(16) "Project fund" means the Economic Development Superprojects Project Fund created by this act;

(17) "Related person" means any entity or person that bears a relationship to the sponsor as described in Section 267 of the Internal Revenue Code of 1986, as it existed on February 1, 2003;

(18) "Sponsor" means a sole proprietor, partnership, corporation, limited liability company, or association taxable as a business entity or any combination of these entities;

(19) "State" means the State of Arkansas; and

(20) "State Apportionment Fund" means the fund by that name created by the Revenue Stabilization Law or in any successor law.

(21) "Superproject" means infrastructure, land, buildings and other improvements on the land, and all other machinery, apparatus, equipment,

office facilities, and furnishings which are necessary, suitable, or useful by a sponsor and in which a total of at least four hundred million dollars ($400,000,000) is invested by the sponsor and at least four hundred (400) new jobs are created at the project by the sponsor;

SECTION 3. The General Assembly finds that:

(1) Independent studies have confirmed that the State of Arkansas and its people have not been able to participate in and enjoy the economic development benefits to be gained from the location in Arkansas of a superproject, as have many other southern states, resulting in a loss of opportunity for out citizens and a further loss for economic expansion in Arkansas;

(2) The government of the state must take bold steps to establish an adequate program for funding and financing superprojects;

(3) The location in Arkansas of superprojects will help alleviate severe economic instability and economic distress among the citizens of Arkansas; and

(4) A superprojects program will provide means for accelerated progress in the economic development of the state thereby providing increased payrolls, job opportunities, and tax income to support the public services of this state.

SECTION 4. (a)(1) The Arkansas Development Finance Authority, exercising an essential public function as the State of Arkansas bond issuing authority, is authorized by this act to issue bonds to fund superprojects.

(2) The authority shall be responsible for developing the bond financing portion of the plan required by section 3.

(b)(1) The Arkansas Department of Economic Development, as the lead economic development agency for the State of Arkansas, is authorized to utilize the superproject funding in attracting the superprojects to Arkansas.

(2) The department shall:

(A) Utilize economic impact and cost benefit analysis to evaluate proposed superprojects;

(B) Be responsible for developing the portion of the plan concerning the selection and funding of the superprojects; and

(C) Be responsible for monitoring and reporting to the authority, the Governor, and Legislative Council on the ongoing economic impact of the project and sponsor's progress in meeting the requirement for their economic development investment.

SECTION 5. (a) The Arkansas Development Finance Authority may issue Bonds of the State of Arkansas to be known as State of Arkansas Economic Development General Obligation Bonds, in total principal amount not to exceed four hundred million dollars ($400,000,000), for the purposes authorized in this act.

(b) The bonds may be issued in one or more series, as required, subject to the conditions and in compliance with the procedures provided by this act.

(c) The total principal amount of bonds to be issued during any fiscal biennium shall not exceed sixty million dollars ($60,000,000) unless the General Assembly shall, by law, have authorized a greater principal amount to be issued during a fiscal biennium.

(d) Before any bonds may be issued during any fiscal biennium, the department and the authority shall submit the plan to the Legislative Council and the Governor.

(e) Upon receipt of the plan, the Governor shall confer with the Chief Fiscal Officer of the state concerning whether, after utilization of the balance in the project fund, any amount of general revenues will be required to be set aside for payment of debt service requirements in connection with the bonds during either year of the fiscal biennium in which the bonds are to be issued and, if any general funds are required to be used, whether such use would cause an undue hardship upon any agency or program supported from the general revenues under the Revenue Stabilization Law.

(1) The department's written plan setting forth:

(A) A description of the project or projects to be financed with the proceeds derived from the sale of the bonds;

(B) A description of the economic impact and cost benefit of the proposed project or projects;

(C) The amount of bonds necessary to be issued to defray project costs and a budget of those costs;

(D) A certification by the director of the department that each project to benefit from the expenditure of the proceeds of the bonds consists of an investment in the state of not less than four hundred million dollars ($400,000,000) and the creation of no fewer than four hundred (400) new permanent full-time jobs;

(E) A tentative time schedule setting forth the period of time during which the sum requested is to be expended.

(2) The authority's written plan setting forth:

(A) A debt service table showing the annual principal and interest requirements for any bonds outstanding and to be issued;

(B) A recommended plan of marketing for the bonds and proposed schedule of issuance dates based on the department's proposed spending schedule.

(f)(1) Upon conclusion of the conference, and after obtaining the advice of the Legislative Council, the Governor may by proclamation authorize the authority to proceed with the issuance of the bonds, in one (1) or more series, up to the maximum principal amount approved by the Governor for the fiscal biennium.

(2) If the Legislative Council fails to advise the Governor within thirty (30) calendar days after receipt of the request for advice, the Governor may proceed to issue the proclamation.

(g)(1) If the Governor declines or refuses to give his approval for the issuance of the bonds, the Governor shall promptly notify the authority in writing and the bonds shall not be issued.

(2) The authority may resubmit a request to the Governor for the approval of the issuance of the bonds.

(3) The issue as resubmitted to the Governor shall be dealt with in the same manner as provided for the initial request to issue the bonds.

SECTION 6. (a)(1) To qualify as a superproject, the investment and job creation requirements must be attained no later than the eighth (8th) year after the project first begins operations unless the eight-year period is extended by the department.

(2) The department may extend the eight-year deadline for a reasonable period of time taking into consideration general economic conditions.

(b) If the investment and job creation requirements are not attained within the eight-year deadline or the extended deadline as prescribed by the department, the sponsor shall refund to the authority any funds the sponsor received under this act.

SECTION 7. (a) The bonds shall be issued in series in amounts sufficient to finance or refinance all or any part of superproject costs, with the respective series to be designated in alphabetical order or by the year in which issued or both.

(b) Each series of bonds shall have such date as the authority shall determine and shall mature or be subject to mandatory sinking fund redemption as determined by the authority over a period ending not later than thirty (30) years after the date of issuing the bonds of each series.

(c) Pending the issuance of bonds, the authority may issue temporary notes, maturing not more than five (5) years after the date of issuance, to be exchanged for or paid from the proceeds of bonds at such time as the bonds may be issued.

(d)(1) Each series of the bonds shall bear interest at the rate or rates accepted by the authority.

(2) Interest shall be payable at such times as the authority shall determine.

(e) The bonds may:

(1) Be issued in the form;

(2) Be in the denominations;

(3) Be made exchangeable for bonds of another form or denomination, bearing the same rate of interest and date of maturity;

(4) Be made payable at the places within or without the state;

(5) Be made subject to redemption prior to maturity in the manner and for redemption prices; and

(6) Contain other terms and conditions as the authority shall determine.

(f) The bonds shall have all of the qualities of negotiable instruments or securities under the laws of this state, subject to the provision for registration of ownership.

SECTION 8. (a) Bonds shall be issued for the purpose of financing superprojects.

(b) The proceeds of the bonds shall be applied to the payment of project costs and the costs and expenses of issuance of the bonds, or in connection with a superproject refinancing, the repayment of indebtedness incurred to pay superproject costs, or for refunding of bonds as provided in this act.

SECTION 9. (a)(1) The bonds shall be authorized by resolution of the authority.

(2) Each resolution shall contain terms, covenants, and conditions as deemed desirable including, without limitation, those pertaining to:

(A) The establishment and maintenance of funds and accounts;

(B) The deposit and investment of revenues and of bond proceeds; and

(C) The rights and obligations of the state, its officers and officials, the authority, and the registered owners of the bonds.

(3)(A) The resolution of the authority may provide for the execution and delivery by the authority of a trust indenture or indentures, with one (1) or more banks or trust companies located within or without the state, containing any of the terms, covenants, and conditions referred to in this act.

(B) The trust indenture or indentures shall be binding upon the state and its agencies, officers, and officials, to the extent set forth in this act.

(b) Any resolution or trust indenture adopted or executed under this section shall provide that power is reserved:

(1) To apply to the payment of debt service on the bonds issued or secured under this act, all or any part of the revenues that may be derived from any superproject financed by the bonds or financed by the authority in some other manner; and

(2) To the extent of the revenues that the authority elects to apply to debt service, to release from any requirement of the resolution or trust indenture other revenues and resources of the state, including without limitation, the project fund revenues or other revenues required to be transferred under this act.

SECTION 10. (a) Each bond shall:

(1) Be signed with the manual or facsimile signatures of the Governor, the Chairperson of the Board of Directors of the Arkansas Development Finance Authority, and the Treasurer of State; and

(2) Have affixed, imprinted, or lithographed on the bond the Great Seal of the State of Arkansas.

(b) Interest coupons attached to the bonds, if any, shall be signed with the facsimile signature of the Treasurer of State.

(c) Delivery of the bonds and coupons shall be valid notwithstanding any change in persons holding such offices occurring after the bonds have been executed.

SECTION 11. (a) The bonds may be sold in the manner, either at public or private sale, and upon terms as determined by the authority to be reasonable and expedient for effectuating the purposes of this act.

(b) The bonds may be sold at the price the authority determines acceptable, including sale at a discount.

(c) The authority may employ administrative agents, fiscal agents, underwriters, architects, accountants, engineers, and legal counsel and may pay them reasonable compensation from the proceeds of the bonds.

(d) The proceeds from the sale of the bonds may be used to pay:

(1) The fees of any trustee or paying agent;

(2) The costs of publication of notices;

(3) The costs of publication of the printing of the bonds;

(4) The costs of publication of official statements and other documents relating to the sale of the bonds;

(5) The fees of any rating agency; and

(6) Other reasonable costs incurred by the authority for issuing and selling the bonds.

SECTION 12. (a) The proceeds from the sale of the bonds, together with all revenues derived by the authority from any superproject financed or refinanced under this act shall be deposited by the recipient, as received, into trust funds either established in the State Treasury or into accounts established outside the State Treasury in the name of the authority to accomplish the purposes of this act, in amounts or portions as set forth in the resolution or trust indenture authorizing or securing the bonds issued to finance or refinance the superprojects.

(b) There is created as a trust fund in the State Treasury an account designated as the Economic Development Superprojects Project Fund to provide for payment of all or a part of debt service on bonds issued under this act and to directly fund superprojects on a pay as you go basis should bonds not be approved or not issued.

(c)(1) The Treasurer of State shall establish separate accounts and subaccounts within the project fund to correspond to the applicable series of bonds.

(2) In addition, there may be created in the State Treasury other funds, accounts, or subaccounts as the authority may determine to be necessary to accomplish the purposes of this act.

(d) All procedures and methods for application of proceeds of any series of bonds to the financing or refinancing of superproject costs shall be developed in consultation with and approved by the department and shall be set forth in writings and shall be maintained as part of the records of the authority.

(e) Any arrangements undertaken pursuant to subsection (b) of this section whereby a local entity will administer funds composed in whole or in part of proceeds of bonds or disbursements from the project fund shall include provision for the auditing, no less frequently than annually, of the funds.

(f) The proceeds from the sale of the bonds, together with all revenues derived by the authority from any superproject financed or refinanced under this act may be invested and reinvested by the Treasurer of State in any of the following:

(1) Direct obligations of the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;

(2) Bonds, debentures, notes, or other evidences of indebtedness issued or guaranteed by any United States government agency if the obligations are backed by the full faith and credit of the United States of America;

(3) Senior debt obligations issued or guaranteed by United

States nonfull faith and credit government agencies;

(4) Money market funds investing exclusively in the investments described in subdivisions (f)(1) through (f)(3) of this section;

(5)(A) Certificates of deposit providing for deposits secured at all times by collateral described in subdivisions (f)(1) through (f)(3) of this section.

(B) The certificates must be issued by commercial banks whose deposits are insured by the Federal Deposit Insurance Corporation and whose collateral must be held by a third party.

(C) The Treasurer of State, or assigns, must have a perfected first security interest in the collateral;

(6) Certificates of deposit, savings accounts, deposit accounts, or money market deposits, all of which are fully insured by the Federal Deposit Insurance Corporation;

(7) Bonds or notes issued by this state or any municipality, county, or school district in this state, or any agency or instrumentality thereof;

(8) Investment agreements with financial institutions or insurance companies which are rated in one (1) of the two (2) highest rating categories of a nationally recognized rating agency;

(9) Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm to the Treasurer of State, and the transfer of cash from the Treasurer of State to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Treasurer of State in exchange for the securities at a specified date. Repurchase agreements must satisfy the following criteria:

(A) Repurchase agreements must be between the Treasurer of State and a dealer bank or securities firm described as follows:

(i) Dealers with at least one hundred million dollars ($100,000,000) in capital; or

(ii) Banks whose deposits are insured by the Federal Deposit Insurance Corporation; and

(B) The written repurchase agreement contract must include the following:

(i) Securities which are acceptable for transfer are those listed in subdivisions (f)(1) through (f)(3) of this section;

(ii) The term of the repurchase agreement may not exceed thirty (30) calendar days;

(iii) The collateral must be delivered to the Treasurer of State, trustee if trustee is not supplying the collateral, or a third party acting as agent for the trustee if the trustee is supplying the collateral before or simultaneous with payment;

(iv) The securities must be valued weekly, marked-to-market at current market price plus accrued interest. The value of collateral must be equal to one hundred three percent (103%) of the amount of cash transferred by the Treasurer of State to the dealer bank or security firm under the repurchase agreement plus accrued interest. If the value of securities held as collateral declines below one hundred three percent (103%) of the value of the cash transferred by the Treasurer of State, then additional cash or acceptable securities or both must be transferred and held by the Treasurer of State; and

(10) Any other investment authorized by state law.

SECTION 13. The department, in addition to powers conferred under other laws, may take any action necessary to carry out the purposes of this act, including the power to:

(1) Provide loans and grants from bond proceeds or project revenues to local entities and to authorize local entities to make loans to other persons for financing superprojects;

(2) Cause the authority to purchase with bond proceeds or project revenues, bonds or notes from a local entity in order to provide funds for financing superprojects and to enter into note and bond purchase agreements in connection with those purchases;

(3) Fix, regulate, and collect rates, fees, rents, or other charges for making any loan or commitment under this act and for performing accounting and loan servicing duties relating to the loans;

(4) Require audits of all accounts related to construction, operation, or maintenance of any superproject funded by this act;

(5) Take reasonable actions necessary to ensure that debt service requirements are met;

(6) Refinance loans made by the authority from whatever source

to local entities in order to develop a superproject;

(7) Provide loans from bond proceeds or project revenues to local entities for the purpose of refinancing indebtedness of the local entity incurred for the purpose of financing a superproject; and

(8) Take such other action necessary to accomplish the purposes of this act.

SECTION 14. (a) The bonds shall be direct general obligations of the state, for the payment of debt service on which the full faith and credit of the state are irrevocably pledged so long as any of the bonds are outstanding.

(b) The bonds shall be payable from the project fund and, if necessary, from general revenues and such amount of general revenues as may be necessary is pledged to the payment of debt service on the bonds and shall be and remain pledged for such purposes.

SECTION 15. (a)(1) On or before commencement of each fiscal year, the Chief Fiscal Officer of the State shall determine the estimated amount required for payment of all or a part of the debt service on the bonds issued during the fiscal year and deduct therefrom the estimated moneys to be available to the authority from other sources and the amount available in the project fund to determine what amount of general revenues, if any, will be required.

(2) The Chief Fiscal Officer of the State shall certify the estimated amount to the Treasurer of State.

(3) The Treasurer of State shall then make monthly transfers from the project fund and, if necessary, from the State Apportionment Fund to the bond fund of the amount of general revenues as shall be required to pay the maturing debt service on the bonds.

(b)(1) The obligation to make monthly transfers of general revenues from the State Apportionment Fund to the bond fund shall constitute a first charge against the general revenues prior to all other uses to which the general revenues are devoted, either under present law or under any laws that may be enacted in the future.

(2) To the extent other general obligation bonds of the state may have been issued or may subsequently be issued, they shall rank on a

parity of security with respect to payment from general revenues.

(c)(1) Moneys credited to the project fund shall be used for the purposes identified in section 12(b), and for those purposes the Treasurer of State is designated as the disbursing officer to administer those funds in accordance with this act.

(2) If no bonds are issued, upon the request of the department and with the approval of the Governor, moneys in the project fund may be used on a pay as you go basis as department grants to local entities for infrastructure project costs.

(d) Moneys in the bond fund over and above the amount necessary to ensure the prompt payment of debt service on the bonds, and the establishment and maintenance of a reserve fund, if any, may be used for the redemption of bonds prior to maturity in the manner and in accordance with the provisions pertaining to redemption prior to maturity as set forth in the resolution or trust indenture authorizing or securing the bonds.

SECTION 16. (a) All bonds issued under this act, and interest on the bonds, are exempt from all state and local taxes.

(b) The bonds shall be eligible to secure deposits of all public funds and shall be legal for investment of bank, fiduciary, insurance company, trust, and public funds.

SECTION 17. (a)(1) Bonds may be issued under this act for the purpose of refunding any outstanding bonds issued pursuant to this act.

(2) The authority shall not be required to include bonds issued pursuant to this section in any written plan submitted to the Governor under Section 3, and the bonds shall not be subject to the requirements for the approval and proclamation of the Governor as set forth in Section 3.

(b)(1) The refunding bonds may be either sold for cash or delivered in exchange for the outstanding obligations.

(2) If sold for cash, the proceeds may be either applied to the payment of the obligations refunded or deposited in irrevocable trust for the retirement thereof either at maturity or on an authorized redemption date.

(c)(1) Refunding bonds shall in all respects be authorized, issued, and secured in the manner provided for the bonds being refunded, and shall have all the attributes of the refunded bonds.

(2) To the extent that the refunding bonds are not in a greater principal amount than the outstanding principal amount of the bonds being refunded, the principal amount of the refunding bonds shall not be subject to the four hundred million dollars ($400,000,000) limit set forth in section 3 or the sixty millions dollars ($60,000,000) limit set forth in section 3.

(d) The resolution or trust indenture under which the refunding bonds are issued shall provide that any refunding bonds shall have the same priority of payment as was enjoyed by the obligations refunded.

SECTION 18. (a) This act shall constitute a contract between the state and the registered owners of all bonds issued under this act which shall never be impaired, and any violation of its terms, whether under purported legislative authority or otherwise, shall be enjoined by the courts at the suit of any bondholder or any taxpayer.

(b)(1) The courts shall, in like suit against the authority, the Treasurer of State, or other appropriate agency, officer, or official of the state, prevent a diversion of any revenues pledged and shall compel the restoration of diverted revenues, by injunction or mandamus.

(2) Also, and without limitation as to any other appropriate remedy at law or in equity, any bondholder may, by an appropriate action, including without limitation, injunction or mandamus, compel the performance of all covenants and obligations of the state, its officers, and officials, under this act.

SECTION 19. (a) This act shall not create any right of any character and no right of any character shall arise under it unless and until the first series of bonds authorized by this act are sold and delivered.

(b) The issuance of bonds authorized by this act shall not impair or affect any outstanding bonds of the authority issued under prior acts.

SECTION 20. (a) No bonds shall be issued under this act except by and with the consent of a majority of the qualified electors of the state voting on the question in substantially the form described in this section at the general election or a special election called by proclamation of the Governor.

(b) The proclamation shall be issued at least sixty (60) calendar days prior to the date fixed by the proclamation for the election, and notice of the special election shall be given by publication of the proclamation by one (1) insertion in one (1) newspaper of general circulation published in each county in the state not less than thirty (30) calendar days prior to the date of the election.

(c) If there is no newspaper regularly published in a county, the proclamation may be published in any newspaper having a general circulation in the county.

(d) It is not necessary, in the case of the notice or proclamation for the election, to publish this act in its entirety, but the notice or proclamation shall state that it is issued for the purpose of submitting to the people the following question:

"Shall the Arkansas Development Finance Authority be authorized to issue general obligation bonds under the authority of the Arkansas General Obligation Economic Development Superprojects Bond Act in total principal amount not to exceed four hundred million dollars ($400,000,000), in series from time to time in principal amounts not to exceed, without prior approval of the General Assembly, sixty million dollars ($60,000,000) in any fiscal biennium, for the financing and refinancing of superprojects as defined in the Arkansas General Obligation Economic Development Superprojects Bond Act, which bonds shall be secured by a pledge of the full faith and credit of the State of Arkansas?"

(e) The title of this act shall be the ballot title, and there shall be printed on the ballot the proposition stated in subsection (d), and the following:

"FOR Issuance of State of Arkansas Economic Development Superprojects General Obligation Bonds _____"

"AGAINST Issuance of State of Arkansas Economic Development Superprojects General Obligation Bonds _____"

(g)(1) The county boards of election commissioners of the several counties of the state shall conduct the election.

(2) Each board shall take action with respect to the appointment of election officials and other matters as the law requires.

(3) The vote shall be canvassed and the result declared in each county by the several county boards.

(4) The results shall, within ten (10) calendar days after the

date of the election, be certified by the county boards to the Secretary of State who shall tabulate all returns so received and certify to the Governor the total vote for and against the proposition.

(5) The result of the election shall be proclaimed by the Governor by publication one (1) time in a newspaper published in the city of Little Rock, Arkansas, and the results as proclaimed shall be conclusive unless attacked in the courts within thirty (30) calendar days after the date of the publication.

SECTION 21. (a) If a majority of the qualified electors voting on the question vote for the issuance of the bonds, the authority shall proceed with the sale and the issuance of the bonds as provided in this act.

(b) If a majority of the qualified electors voting on the question vote against the issuance of the bonds, none of the bonds authorized by this act shall ever be sold or issued.

SECTION 22. Any case involving the validity of this act or involving the bonds issued under this act shall be deemed of public interest and shall be advanced by all courts and heard as a preferred cause, and all appeals from judgments or decrees rendered in the cases must be taken within thirty (30) calendar days after rendition of the judgment or decree.

SECTION 23. (a) This act shall be liberally construed to accomplish its purposes.

(b) This act shall constitute the sole authority necessary to accomplish its purposes.

(c) This act shall be interpreted to supplement existing laws conferring rights and powers upon the authority, and the rights and powers under this act shall be regarded as alternate methods for the accomplishment of the purposes of this act.

SECTION 24. Arkansas Code § 26-52-107 is amended to read as follows:

26-52-107. Disposition of taxes, interest, and penalties.

(a)(1) Except as provided in subsection (b) of this section, all ~~All~~ taxes, interest, penalties, and costs received by the director under the provisions of this act shall be general revenues and shall be deposited in the State Treasury to the credit of the State Apportionment Fund.

(2) Except as provided in subsection (b) of this section, the ~~The~~ State Treasurer shall allocate and transfer the same to the various State Treasury funds participating in general revenues in the respective proportions to each as provided by, and to be used for the respective purposes set forth in, the Revenue Stabilization Law of Arkansas, § 19-5-101 et seq.

(b) Beginning with August 2003, the Treasurer of State shall transfer the sum of five hundred and seventy thousand dollars ($570,000) on the last day of each month from the State Apportionment Fund as special revenues into the Economic Development Superprojects Project Fund.

SECTION 25. Arkansas Code § 26-52-503(a), regarding the discount for prompt payment of gross receipts tax, is amended to read as follows:

26-52-503. Discount for prompt payment.

(a) At the time of transmitting the returns required under this act to the ~~director~~ Director of the Department of Finance and Administration, the taxpayer shall remit therewith to the director ~~ninety-eight percent (98%)~~ ninety-nine percent (99%) of the tax due under the applicable provisions of this act.

SECTION 26. This act becomes effective on the first day of the calendar month following the ninetieth (90th) day after the sine die adjournment of this session or the first (1st) day of the calendar month following the ninetieth (90th) day after a recess or adjournment for a period longer than ninety (90) days.

SECTION 27. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that there is an immediate need to begin funding the Economic Development Superproject Project Fund created by this act in order to improve the state's competitive position in the recruitment of large economic development projects, and that in the event of an extension of the Regular Session, the delay in the effective date of this act beyond July 1, 2003 could work harm upon the economic condition of the state. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2003.