

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**

A Bill

ACT 1250 OF 1995
SENATE BILL 106

4 **By: Senators Todd and Mahony**

5
6
7

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 15-4-1506 AND ARKANSAS CODE
9 15-4-1507 TO PROVIDE GOVERNING BODIES OF MUNICIPAL
10 AIRPORTS WHICH PROVIDE DIRECT SUPPORT TO MILITARY
11 INSTALLATIONS SLATED FOR CLOSURE BY THE FEDERAL BASE
12 REALIGNMENT AND CLOSURE COMMISSION WITH SPECIAL TARGET
13 STATUS TO QUALIFY FOR FINANCIAL ASSISTANCE FROM THE
14 AVIATION AND AEROSPACE INDUSTRY DEVELOPMENT FUND; AND FOR
15 OTHER PURPOSES."

16
17

Subtitle

18 "TO PROVIDE QUALIFYING GOVERNING BODIES
19 OF MUNICIPAL AIRPORTS WITH SPECIAL
20 STATUS TO QUALIFY FOR FINANCIAL AID FROM
21 THE AVIATION AND AEROSPACE INDUSTRY
22 DEVELOPMENT FUND."

23

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

25

26 SECTION 1. Arkansas Code 15-4-1506 is amended to read as follows:

27 "15-4-1506. Receipt of loans and financial assistance.

28 (a) Any entity of local government or airport authority, hereinafter
29 the "applicant", who qualifies under the criteria provided in the subchapter
30 and other criteria as determined by the Arkansas Aviation and Aerospace
31 Commission, may receive loans or other financial assistance from the fund for
32 expenses related to establishment, relocation, expansion, or development of
33 aviation and aerospace industries in the State of Arkansas.

34 (b) Any governing body of a municipal airport wherein is located a
35 military installation slated for closure, or any governing body of a municipal
36 airport located within thirty (30) miles of a military installation slated for

1 closure by the Federal Base Realignment and Closure Commission, provided said
2 military installation exceeds 30,000 acres of total land area, for which the
3 governing body has received a federal grant for development of the municipal
4 airport, shall hereinafter be referred to as a "special target applicant" and
5 may receive loans or other financial assistance from the fund for expenses
6 related to establishment, relocation, expansion, or development of aviation
7 and aerospace industries without qualifying for all the criteria required in
8 this subchapter."

9

10 SECTION 2. Arkansas Code 15-4-1507 is amended to read as follows:

11 "15-4-1507. Loan criteria.

12 (a) The commission shall have the authority to determine the structure,
13 amount and nature of any loan or other financial assistance from the fund,
14 subject to the following criteria, except special target applicants do not
15 have to meet criteria in subdivisions (a) (1) and (a) (2) of this subsection.

16 (1) The applicant shall provide certification that not less than fifty
17 (50) net new full-time-equivalent jobs will be created as a result of the
18 financial assistance provided hereunder;

19 (2) The applicant shall provide certification that the jobs created shall
20 generate a quarterly average weekly wage per employee equal to or greater than
21 one hundred ten percent (110%) of the state average weekly wage per employee
22 for manufacturing industries for the immediately preceding calendar year as
23 reported in the Covered Employment and Earnings report published by the
24 Arkansas Employment Security Department;

25 (3) Any applicant or special target applicant receiving financial
26 assistance from the Aviation and Aerospace Industry Development Fund shall
27 make available to the commission such employee and wage information as may be
28 required by the commission to verify compliance with the requirements of this
29 section.

30 (b) The commission shall establish procedures to quantify the benefit and
31 return to the state and its citizens from the provision of financial
32 assistance from the fund. The commission shall establish as a goal the return
33 of any state investment made hereunder within eight (8) years of the provision
34 of financial assistance. The state's return shall be measured using the
35 following criteria:

- 1 (1) Number of jobs;
- 2 (2) Level of pay per job;
- 3 (3) Company's capital investment;
- 4 (4) Length of commitment of jobs by the company;
- 5 (5) Training and educational needs;
- 6 (6) "Take-back" provisions;
- 7 (7) Public and private participation in project funding; and
- 8 (8) Other criteria as established by the commission.

9 The commission in applying the formula shall determine that funding the
10 project will result in economic activity within the state that provides a
11 revenue-neutral or revenue-positive impact on the state's current general
12 revenues. Special target applicants do not have to meet the criteria
13 specified in this subsection to measure the return to the state or to meet the
14 goal of a return of any state investment within eight (8) years.

15 (c) The Director of the Department of Industrial Development shall enter
16 into an agreement with each successful applicant or special target applicant
17 that shall include the specific terms and conditions of the financial
18 assistance to be provided. These terms shall include a "take-back" provision
19 in the event the applicant fails to meet the terms of the agreement. Any
20 legal recourse set out by these provisions shall be pursued by the Chief
21 Fiscal Officer of the State.

22 (d) Any applicant or special target applicant receiving assistance from
23 the fund shall be liable to repay any assistance received if it does not
24 comply with the terms of any disbursement agreement, the criteria set out in
25 this subchapter, except where target applicants are exempt, and any rule or
26 regulation promulgated by the Chief Fiscal Officer of the State with regard to
27 the Arkansas Aviation and Aerospace Industry Development Fund. The repayment
28 shall be made to the Chief Fiscal Officer of the State and credited to the
29 fund. The Chief Fiscal Officer of the State may bring any lawful action to
30 recover any amount for which the recipient is liable."

31

32 SECTION 3. Title 15, Chapter 4, Subchapter 15 is hereby amended to
33 adopt a new Section 1508 to read as follows:

34 "15-4-1508. Enterprise Zone Benefits.

35 Any industry which locates a facility at a municipal airport which

1 qualifies as a special target applicant under Ark. Code 15-4-1506 shall be
2 entitled to the benefits of the Arkansas Enterprise Zone Act of 1993, Ark.
3 Code 15-4-1701, et seq., for that facility, regardless of whether the industry
4 would otherwise qualify for the benefits of the Enterprise Zone Act."

5

6 SECTION 4. All provisions of this act of a general and permanent nature
7 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
8 Revision Commission shall incorporate the same in the Code.

9

10 SECTION 5. If any provision of this act or the application thereof to
11 any person or circumstance is held invalid, such invalidity shall not affect
12 other provisions or applications of the act which can be given effect without
13 the invalid provision or application, and to this end the provisions of this
14 act are declared to be severable.

15

16 SECTION 6. All laws and parts of laws in conflict with this act are
17 hereby repealed.

18

19 /s/Todd et al

20

21 APPROVED: 4-13-95

22

23

24

25

26

27

28

29

30

31

32

33

34

35

1

2