

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997  
4

As Engrossed: H2/13/97

# A Bill

ACT 339 OF 1997  
HOUSE BILL 1520

5 *By: House Committee on Agriculture and Economic Development*  
6  
7

## For An Act To Be Entitled

9 "AN ACT TO AMEND VARIOUS SECTIONS AND TO REPEAL VARIOUS  
10 SECTIONS OF SUBCHAPTER 5 OF CHAPTER 4 OF TITLE 15 OF THE  
11 ARKANSAS CODE TO RELIEVE THE ARKANSAS INDUSTRIAL  
12 DEVELOPMENT COMMISSION OF ANY AUTHORITY OR RESPONSIBILITY  
13 WITH RESPECT TO THE ESTABLISHMENT AND OPERATION OF  
14 INDUSTRIAL DEVELOPMENT CORPORATIONS; AND FOR OTHER  
15 PURPOSES."

## Subtitle

17 "TO RELIEVE THE AIDC OF AUTHORITY AND  
18 RESPONSIBILITY WITH RESPECT TO  
19 INDUSTRIAL DEVELOPMENT CORPORATIONS."  
20  
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code 15-4-504 is hereby repealed.

25 ~~15-4-504. Articles - Approval by commission.~~

26 ~~The original copy of the articles of incorporation shall be submitted to~~  
27 ~~the commission for its approval, and if it is approved by the commission, the~~  
28 ~~commission shall issue a certificate of approval.~~

29  
30 SECTION 2. Arkansas Code 15-4-505(a) and (c) are hereby amended to read  
31 as follow:

32 "(a) The original executed articles of incorporation ~~and the~~  
33 ~~commission's certificate of approval thereof~~ shall be filed in the office of  
34 the Secretary of State."

35 "(c) The incorporators shall file for recording a certified copy of the  
36 articles of incorporation in the office of the county clerk in the county in

1 which the principal office of the corporation is located ~~and shall file a~~  
2 ~~certified copy of the articles of incorporation with the commission for its~~  
3 ~~permanent record."~~

4

5 SECTION 3. Arkansas Code 15-4-508(a) is amended to read as follows:

6 "(a) In the event any corporation has filed defective articles of  
7 incorporation or has failed to do all things necessary to perfect its  
8 corporate organization, it may, nevertheless, ~~subject to the prior approval of~~  
9 ~~the commission evidenced by its certificate issued for the purpose,~~ file  
10 corrected articles of incorporation or amend the original articles, and do and  
11 perform all acts and things necessary in the premises for the correction of  
12 such defects."

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14 SECTION 4. Arkansas Code 15-4-509(12) is amended to read as follows:

15 "(12) ~~With the approval of the commission, to~~ To make and alter bylaws  
16 not inconsistent with the articles of incorporation or with the laws of this  
17 state, for the administration and regulation of the affairs of the  
18 corporation;"

19

20 SECTION 5. Arkansas Code 15-4-510(a) is amended to read as follows:

21 "(a) The power to make, alter, amend, or repeal the bylaws of the  
22 corporation shall be vested in the board of directors, ~~subject, however, to~~  
23 ~~the prior approval of the commission."~~

24

25 SECTION 6. Arkansas Code 15-4-511(a) and (c) are hereby amended to read  
26 as follows:

27 "(a) A corporation organized under this act may, ~~with the prior~~  
28 ~~approval of the commission,~~ amend its articles of incorporation by a majority  
29 vote of the members present in person or by proxy at any regular meeting, or  
30 at any special meeting of its members called for that purpose."

31 "(c) Articles of amendment, signed by the president or vice president  
32 and attested by the secretary certifying to such amendment and its lawful  
33 adoption, shall be executed, acknowledged, filed, and recorded ~~with a~~  
34 ~~certificate of the commission approving the articles of amendment in the same~~  
35 ~~manner~~ as the original articles of incorporation of a corporation organized  
36 under this act."

1

2 SECTION 7. Arkansas Code 15-4-516 is hereby repealed.

3 ~~15-4-516. Statement required prior to borrowing money, issuing bonds,~~  
4 ~~etc.~~

5 ~~When any corporation organized under the provisions of this act desires~~  
6 ~~to borrow money or to issue bonds or other obligations, it shall furnish to~~  
7 ~~the commission a statement. Included in this statement shall be the amount~~  
8 ~~proposed to be borrowed, the purpose for which the money is to be used, the~~  
9 ~~proposed maturity of the indebtedness, a description of the property to be~~  
10 ~~mortgaged and the income to be pledged as security therefor, and such other~~  
11 ~~information as the commission may require. The corporation shall not sell any~~  
12 ~~bonds or other obligations until after the commission has issued its approval~~  
13 ~~thereof in writing, signed by the chairman or the Director of the Department~~  
14 ~~of Industrial Development, and bearing the seal of the commission.~~

15

16 SECTION 8. Arkansas Code 15-4-519 is hereby repealed.

17 ~~15-4-519. Validity of bonds, notes, etc.~~

18 ~~No bond, note, or other interest-bearing obligation of any corporation~~  
19 ~~issued under the provisions of this act shall be valid until countersigned by~~  
20 ~~the chairman of the commission or, in his absence, and upon the direction of~~  
21 ~~the commission or, upon the direction of the chairman of the commission, by~~  
22 ~~the Director of the Department of Industrial Development.~~

23

24 SECTION 9. Arkansas Code 15-4-521(c) is amended to read as follows:

25 ~~"(c) The terms of sale must be approved by the commission, and any Any~~  
26 ~~conversion of obligations must be approved by the trustee provided in the deed~~  
27 ~~of trust given to secure the payment of the obligations."~~

28

29 SECTION 10. Arkansas Code 15-4-522(a) is amended to read as follows:

30 ~~"(a) Any corporation organized under this act shall have the right,~~  
31 ~~subject to the approval of the commission, to refund its outstanding~~  
32 ~~obligations at any time."~~

33

34 SECTION 11. Arkansas Code 15-4-522(c) is hereby repealed.

35 ~~(c) All refunding obligations shall bear a certificate signed by the~~  
36 ~~chairman or the Director of the Department of Industrial Development that the~~

1 ~~indebtedness which is refunded has been cancelled.~~

2

3 SECTION 12. All provisions of this act of a general and permanent  
4 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas  
5 Code Revision Commission shall incorporate the same in the Code.

6

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

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13 SECTION 14. All laws and parts of laws in conflict with this act are  
14 hereby repealed.

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*/s/Chairman Baker*

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APPROVED:3-03-97

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