

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 83 of the Regular Session

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

A Bill

HOUSE BILL 1175

5 By: Representative Mathis
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7

For An Act To Be Entitled

9 AN ACT TO AUTHORIZE THE ARKANSAS DEVELOPMENT
10 FINANCE AUTHORITY TO GUARANTY INDUSTRIAL REVENUE
11 BONDS ISSUED BY CITIES AND COUNTIES; AND FOR
12 OTHER PURPOSES.
13

Subtitle

14 AN ACT TO AUTHORIZE THE ARKANSAS
15 DEVELOPMENT FINANCE AUTHORITY TO
16 GUARANTY INDUSTRIAL REVENUE BONDS ISSUED
17 BY CITIES AND COUNTIES.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 15-5-403, concerning definitions in the
24 Arkansas Development Finance Authority Bond Guaranty Act of 1985, is amended
25 to read as follows:

26 15-5-403. Definitions.

27 As used in this subchapter:

28 (1) "Act" means the Arkansas Development Finance Authority Bond
29 Guaranty Act of 1985, § 15-5-401 et seq.;

30 (2) "ADFA Act" means the Arkansas Development Finance Authority
31 Act, §§ 15-5-101 et seq., 15-5-201 et seq., and 15-5-301 et seq.;

32 (3) "Amortization payments" means the periodic, i.e., monthly,
33 semiannual, annual, etc., payments of interest, whether at a fixed or
34 variable rate, or premium, if any, and installments of principal of qualified
35 bonds as required by the trust indenture relating to the bonds;



1 (4) "Authority" means the Arkansas Development Finance
 2 Authority;

3 (5) "Board" means the Board of Directors of the Arkansas
 4 Development Finance Authority;

5 (6) "Bond fund" means the Guaranty Bond Fund authorized in this
 6 subchapter from which bonds issued by the authority for the purpose of
 7 meeting the obligations of the Bond Guaranty Reserve Account are payable;

8 (7) "Borrower" means the individual, entity, firm, or
 9 corporation, whether for profit or nonprofit, city, county, other political
 10 subdivision, or state agency charged with developing the project under the
 11 terms of the trust indenture relating to qualified bonds;

12 (8) "Guaranty Reserve Account" means the Bond Guaranty Reserve
 13 Account created in this subchapter for the purpose of meeting amortization
 14 payments of qualified bonds guaranteed by the authority and for the purpose
 15 of enhancing and supporting the credit of those qualified bonds;

16 (9) "Project" means the project for which the proceeds of
 17 qualified bonds are utilized;

18 (10) "Qualified bonds" means:

19 (A) Revenue bonds validly issued by the authority in
 20 accordance with the provisions of the Arkansas Development Finance Authority
 21 Act, §§ 15-5-101 et seq., 15-5-201 et seq., and 15-5-301 et seq.; ~~or~~

22 (B) An obligation issued by the designated investor group
 23 under the Venture Capital Investment Act of 2001, § 15-5-1401 et seq.; or

24 (C) Revenue bonds validly issued by a city or county under
 25 the Municipalities and Counties Industrial Development Revenue Bond Law, §
 26 14-164-201 et seq.;

27 (11) "State" means the State of Arkansas; and

28 (12) "Supplemental Guaranty Reserve Account" means an account
 29 which may be established by the authority for the purpose of enhancing the
 30 Bond Guaranty Reserve Account.

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 32 SECTION 2. Arkansas Code § 15-5-403(10) shall apply to guaranties
 33 issued prior to the effective date of this act by the Arkansas Development
 34 Finance Authority for revenue bonds validly issued by a city or county under
 35 the Municipalities and Counties Industrial Development Revenue Bond Law,
 36 § 14-164-201 et seq., and the guaranties shall not be invalidated based upon

1 the definition of "qualified bonds" in Arkansas Code § 15-5-403 that existed
2 prior to the effective date of this act.

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4 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
5 General Assembly of the State of Arkansas that industrial revenue bonds
6 issued by cities and counties are vital for the financing of significant
7 industrial and tourism projects; that there is an immediate need for this act
8 in order to assure the security of the local revenue bonds guaranteed by the
9 Arkansas Development Finance Authority and issued for the purpose of securing
10 and developing industry and tourism. Therefore, an emergency is declared to
11 exist and this act being immediately necessary for the preservation of the
12 public peace, health, and safety shall become effective on:

13 (1) The date of its approval by the Governor;

14 (2) If the bill is neither approved nor vetoed by the Governor,
15 the expiration of the period of time during which the Governor may veto the
16 bill; or

17 (3) If the bill is vetoed by the Governor and the veto is
18 overridden, the date the last house overrides the veto.

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21 APPROVED: 2/08/2005
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