

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 1045 of the Regular Session

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/21/07 H3/28/07

A Bill

SENATE BILL 830

5 By: Senator Broadway
6 *By: Representative Maxwell*
7
8

For An Act To Be Entitled

10 AN ACT TO AUTHORIZE THE CREATION AND OPERATION OF
11 RESEARCH PARK AUTHORITIES FOR THE PURPOSES OF
12 ECONOMIC DEVELOPMENT; TO PRESCRIBE THE POWERS,
13 DUTIES, AND RESPONSIBILITIES OF RESEARCH PARK
14 AUTHORITIES; TO AMEND THE INTERLOCAL COOPERATION
15 ACT TO SPECIFY RESEARCH PARKS; TO EXTEND THE
16 CURRENT INCENTIVE FOR A DONATION TO A UNIVERSITY
17 TO INCLUDE RESEARCH PARK AUTHORITIES; AND FOR
18 OTHER PURPOSES.

Subtitle

21 AN ACT TO AUTHORIZE THE CREATION AND
22 OPERATION OF RESEARCH PARK AUTHORITIES
23 FOR THE PURPOSES OF ECONOMIC
24 DEVELOPMENT.
25
26

27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
28

29 SECTION 1. Arkansas Code Title 14 is amended to add an additional
30 chapter to read as follows:
31

32 CHAPTER 144. RESEARCH PARK AUTHORITY ACT.
33

34 SUBCHAPTER 1. INTENT AND DEFINITIONS.
35



1 14-144-101. Title.

2 This chapter may be cited as the "Research Park Authority Act".

4 14-144-102. Legislative intent.

5 (a)(1) It is the intent of the General Assembly to maximize the
6 benefits to be derived from Arkansas' institutions of higher education.
7 Therefore it is necessary to provide an environment conducive to the creation
8 and retention of businesses that develop through Arkansas' colleges and
9 universities.

10 (2) In many instances, these businesses are founded by
11 entrepreneurs engaged in research, and it is imperative that research
12 facilities be made available in the State of Arkansas to encourage, house,
13 and support these developing entrepreneurs and businesses.

14 (3) This chapter is intended to provide a mechanism by which
15 appropriate research facilities may be developed, funded, and operated for
16 the purpose of supporting and retaining Arkansas entrepreneurs and businesses
17 dependent upon research for their further development.

18 (b) It is further intended that the research parks created under this
19 chapter shall serve as a catalyst for community growth and transformation and
20 as a centers for community planning and improvement.

21
22 14-144-103. Definitions.

23 As used in this chapter:

24 (1) "Accredited institution of higher education" means a four-
25 year public college or university that offers bachelor's degrees and is
26 recognized by the Department of Higher Education for credit;

27 (2) "Construct" means to acquire or build, in whole or in part,
28 in the manner and by the method, including contracting for the acquisition or
29 building, and if the latter, by negotiation or bids upon the terms and
30 pursuant to the advertising, as the research park authority shall determine
31 to be in the public interest and necessary under the circumstances existing
32 at the time to accomplish the purposes of and authorities under this chapter;

33 (3) "County" means any county in this state;

34 (4)(A) "Development" means the translation of research findings
35 or other knowledge into a plan or design for a new product or process or for
36 a significant improvement to an existing product or process whether intended

1 for sale or use.

2 (B) "Development" includes the conceptual formulation,
3 design and testing of all forms of software content, product alternatives,
4 construction of prototypes, and operation of pilot plants;

5 (5) "Equip" means to install or place on or in any building or
6 structure, equipment of any and every kind, whether or not affixed,
7 including, without limitation:

8 (A) Air conditioning equipment;

9 (B) Building service equipment;

10 (C) Fixtures;

11 (D) Furnishings;

12 (E) Furniture;

13 (F) Heating equipment;

14 (G) Machinery; and

15 (H) Personal property of every kind;

16 (6) "Facilities" means any real property, personal property, or
17 mixed property of any kind that can be used, or that will be useful, to
18 accomplish the purposes of this chapter, including, without limitation:

19 (A) Equipment;

20 (B) Fixtures;

21 (C) Furnishings;

22 (D) Furniture;

23 (E) Instrumentalities;

24 (F) Machinery;

25 (G) Materials;

26 (H) Rights-of-way;

27 (I) Roads and streets;

28 (J) Utilities; and

29 (K) Other real, personal, or mixed property;

30 (7) "Governing body" means the council, board of directors, or
31 city commission of any municipality or the quorum court of any county, or the
32 board of trustees of an accredited institution of higher education;

33 (8) "Lease" means to lease for rental, for periods, and upon
34 terms and conditions the authority shall determine, including, without
35 limitation:

36 (A) The granting of renewal or extension options upon

1 terms and conditions the authority shall determine; and

2 (B) The granting of purchase options at prices and upon
3 terms the authority shall determine;

4 (9) "Municipality" means a city of the first class, a city of
5 the second class, or an incorporated town;

6 (10) "Person" means any natural person, partnership,
7 corporation, association, limited liability company, organization, business
8 trust, foundation, trust, and public or private person;

9 (11) "Research" means planned research or critical investigation
10 aimed at the discovery of new knowledge to create a new product or service or
11 a new process or technique or to bring about a significant improvement in an
12 existing product or process;

13 (12) "Research park" means an area of a municipality or county
14 with defined boundaries that is the site of one (1) or more buildings housing
15 persons who are engaged in research and development projects under this
16 chapter;

17 (13) "Sell" means to sell for a price, in a manner, and upon
18 terms the Authority shall determine, including, without limitation:

19 (A) Private or public sale.

20 (B)(i) If the sale is public, the authority shall
21 advertise the sale, and shall determine whether the sale shall be for cash or
22 credit payable in lump sum or in installments over a period the authority
23 shall determine.

24 (ii) If the sale is for credit, the authority shall
25 determine whether the credit shall be with or without interest and at what
26 rate; and

27 (14) "State" means the State of Arkansas.

28
29 14-144-104. Construction.

30 (a) This chapter shall be liberally construed to accomplish its intent
31 and purposes and shall be the sole authority required for the accomplishment
32 of its purpose.

33 (b) To this end:

34 (1) It shall not be necessary to comply with the general
35 provisions of other laws dealing with public facilities and their
36 acquisition, construction, leasing, encumbering, or disposition, except to

1 the extent provided for in § 14-206-101, et. seq., § 14-207-101, et seq., and
2 § 18-15-501, et seq.; and

3 (2) Section 15-5-303 shall not apply.

4
5 SUBCHAPTER 2. RESEARCH PARK AUTHORITY – POWERS.

6
7 14-144-201. Research park authority – Creation.

8 (a)(1) A research park authority:

9 (A) Shall have as sponsor at least one (1) accredited
10 institution of higher education; and

11 (B) May have one (1) more:

12 (i) Municipality;

13 (ii) County; or

14 (iii) State agency.

15 (2) One (1) or more sponsors who meet the requirements of
16 subdivision (a)(1) of this section may create a research park authority under
17 this chapter for the purpose of acquiring, constructing, maintaining, and
18 operating a research park.

19 (b) A county or municipality shall not participate in a research park
20 authority unless the governing body of the county or municipality:

21 (1) Provides by ordinance to participate in the research park
22 authority; and

23 (2) Enters into an agreement with at least one (1) accredited
24 institution of higher education to create and maintain the research park
25 authority.

26 (c) An accredited institution of higher education shall not
27 participate in a research park authority unless the governing body of the
28 accredited institution of higher education:

29 (1) Adopts a resolution to participate in the research park
30 authority; and

31 (2) Enters into an agreement with at least one (1) county or
32 municipality to create and maintain the research park authority.

33 (d) A research park shall be located either within:

34 (1) The geographical boundaries of a county or municipality that
35 is a sponsor of the research park authority; or

36 (2) The main campus of the sponsoring accredited institution of

1 higher education that is a sponsor of the research park authority.

2 (e)(1) A sponsor of a research park authority shall enter into an
3 agreement establishing the terms and conditions for the operation of the
4 authority under this chapter and any other laws of the State of Arkansas that
5 may be applicable.

6 (2) To the extent that it is consistent with this chapter, the
7 agreement shall specify the information provided for in the Interlocal
8 Cooperation Act, § 25-20-101 et seq.

9 (3) The agreement may also provide for each authority to furnish
10 the participating sponsor or sponsors copies of its annual budget for
11 examination and approval.

12 (4) The agreement shall be filed with the Secretary of State.

13
14 14-144-202. Public corporation.

15 (a) Upon creation of a research park authority:

16 (1) The authority and its members shall:

17 (A) Constitute a public corporation; and

18 (B) Have perpetual succession; and

19 (2) The authority and its members may:

20 (A) Contract and be contracted with;

21 (B) Sue and be sued; and

22 (C) Have and use a common seal.

23 (b) The exercise of the powers and performance of the duties under
24 this chapter by each authority are declared to be public and governmental
25 functions that are exercised for a public purpose and for matters of public
26 necessity and that confer upon each authority governmental immunity from suit
27 in tort.

28
29 14-144-203. Research Park Authority Board.

30 (a) Subject to any limitations created in the agreement required under
31 14-144-201(c), the management and control of each research park authority and
32 its property, operations, business, and affairs shall be lodged in a research
33 park authority board of not fewer than five (5) nor more than seven (7)
34 natural persons who shall be appointed for terms of five (5) years each.

35 (b)(1) The number of members of the board to which each of the
36 participating governmental bodies is entitled shall be set forth in the

1 agreement required under § 14-144-201(c).

2 (2) However, each of the participating governmental bodies shall
3 be entitled to appoint at least one (1) member.

4 (3) Appointments of members shall be made:

5 (A) For a municipality, by the mayor;

6 (B) For a county, by the county judge;

7 (C) For an accredited institution of higher education, by
8 the president or chancellor of the accredited institution of higher
9 education; and

10 (D) For a state agency, by the Governor.

11 (c)(1) The members shall serve staggered terms.

12 (2) Upon taking office, the members shall draw lots so that:

13 (A) One (1) member shall have a one-year term;

14 (B) One (1) member shall have a two-year term;

15 (C) One (1) member shall have a three-year term;

16 (D) One (1) member shall have a four-year term; and

17 (E) One (1) member shall have a five-year term.

18 (3) A sixth or seventh member shall serve a five-year term.

19 (4) After the expiration of their respective terms, persons
20 reappointed to the board or their successors shall serve five-year terms.

21 (5) A person shall not serve as a member for more than a total
22 of ten (10) consecutive years.

23 (d)(1) A member appointed by a mayor or county judge shall be a bona
24 fide resident and qualified elector of the municipality or county of the
25 appointing mayor or county judge.

26 (2) A member of the board appointed by the president or
27 chancellor of the accredited institution of higher education shall be bona
28 fide resident and qualified elector of the institution's Metropolitan
29 Statistical Area, or the County in which the main campus of the institution
30 is located, if the main campus is not the institution's Metropolitan
31 Statistical Area.

32 (3) A member appointed by the Governor shall be a bona fide
33 resident and a qualified elector of the State of Arkansas.

34 (e) If a member dies, resigns, is removed, or for any other reason
35 ceases to be a member of the board, the officer who appointed the member
36 shall appoint another eligible person to fill the unexpired portion of the

1 term of the member.

2 (f) A member once qualified shall not be removed during his or her
3 term except for cause by the mayor, county judge, president or chancellor of
4 the accredited institution of higher education or Governor who appointed the
5 member or upon such other conditions as shall may be set forth in the
6 agreement required under § 14-144-201(c).

7 (g)(1) A member shall not receive any compensation whether in the form
8 of salary, per diem allowance, or in another form for or in connection with his
9 or her services as a member.

10 (2) However, each member shall be entitled to reimbursement by the
11 board for any necessary expenditures in connection with the performance of his
12 or her general duties as a member.

13
14 14-144-204. Powers of research park authority board.

15 (a) Each research park authority board is given the following powers:

16 (1) To make and adopt all necessary bylaws for its organization
17 and operation;

18 (2) To elect officers and to employ personnel necessary for its
19 operation;

20 (3) To delegate any authority given to it by law to any of its
21 officers, committees, agents, or employees;

22 (4) To enter into contracts necessary or incidental to its powers
23 and duties under this chapter;

24 (5) To apply for, receive, and spend grants for any purpose of
25 this chapter;

26 (6) To acquire lands and hold title to the lands acquired in its
27 own name;

28 (7) To acquire, own, use, and dispose of property in the
29 exercise of its powers and the performance of its duties under this
30 chapter;

31 (8) To borrow money and execute and deliver negotiable
32 notes in the exercise of its powers and the performance of its duties
33 under this chapter;

34 (9) To issue bonds;

35 (10) To acquire, equip, construct, maintain, and operate a
36 research park and appurtenant facilities or properties;

1 (11) To acquire, equip, construct, maintain, and operate
2 research and related types of facilities, including education, training,
3 office and support facilities, located at or near a research park for the
4 purpose of securing and developing new businesses with a research
5 orientation;

6 (12) To request and receive from time to time from counties
7 or cities within the boundaries of the research park authority, funds
8 to finance and support the authority, including county or city turnback
9 funds as set forth in §§ 27-70-206 and 27-70-207 for the purpose of
10 matching federal transportation funds;

11 (13) To receive property or funds by gift or donation for
12 the finance and support of the authority;

13 (14)(A) Upon the petition of persons representing two-thirds
14 (2/3) in value of the owners of real property in the area, as shown by the
15 last county assessment, to constitute the authority, or a committee of the
16 authority, as an improvement district and to create and operate an
17 improvement district composed of a specified area encompassed within the
18 jurisdictions of the participating governing bodies.

19 (B)(i) The improvement district shall be for the purpose
20 of financing the construction, reconstruction, or repair of the research park
21 and its facilities.

22 (ii) To the extent consistent with this chapter, the
23 creation and operation of an improvement district shall be in accordance with
24 the procedures established by the laws of the State of Arkansas for the
25 creation and operation of municipal improvement districts;

26 (15) To plan, establish, develop, construct, enlarge, improve,
27 maintain, equip, operate, and regulate a research park and auxiliary services
28 and facilities and to establish minimum building codes and regulations and to
29 protect and police the research park and other facilities of the authority,
30 in cooperation with the law enforcement agencies and officers having
31 jurisdiction in the area where the facilities of the authority are located;

32 (16) To levy and collect a tax or fee to be levied upon and
33 collected from the tenants or occupants of the research park or from the
34 property owners within the improvement district or redevelopment district;

35 (17) To receive real and personal property from the United
36 States for research park facilities and related purposes by donation,

1 purchase, lease, or otherwise and subject to any conditions the United States
2 may require and to which the authority may agree;

3 (18) To promote, advertise and publicize the authority and its
4 facilities and to represent and promote the interests of the authority; and

5 (19) To do all things necessary or appropriate to carry out the
6 powers and duties expressly granted or imposed under this chapter.

7 (b) A research park authority may engage in the following activities:

8 (1) Research;

9 (2) Development of products or services, including without
10 limitation:

11 (A) Advanced materials and manufacturing systems;

12 (B) Advanced electronics or computer products, or both;

13 (C) Agriculture, aquaculture, and forestry technologies;

14 (D) Bio-based products;

15 (E) Biotechnology, bioengineering, and life sciences;

16 (F) Engineering technology;

17 (G) Food and environmental sciences;

18 (H) Information and related technology;

19 (I) Medical devices;

20 (J) Nanotechnology;

21 (K) Pharmaceutical products;

22 (L) Products for energy conservation;

23 (M) Products for testing or remediation of environmental
24 hazards;

25 (N) Software, including creative and artistic content, and
26 data communications; and

27 (O) Transportation logistics;

28 (3) Production of materials and products ancillary to items
29 listed under subdivisions (b)(1) and (2) of this section; and

30 (4) Acting as support or resource services and suppliers in
31 connection with items listed under subdivisions (b)(1)–(3) of this section.

32 (c) Any additional activities undertaken by a research park authority
33 shall be related to the commercialization of research and the furtherance of
34 products and services derived from research and development activities.

35 (d) The enumeration of powers under this section does not limit or
36 circumscribe the broad objectives and purposes of this chapter and the broad

1 objectives of developing a research park and necessary and desirable related
2 facilities or properties.

3
4 14-144-205. Eminent domain.

5 (a) A research park authority shall have the right to acquire any
6 property necessary to carry out the purposes of this chapter by exercising
7 the power of eminent domain.

8 (b) The research park authority, its agents, and its employees may
9 seek a court order to enter upon real property and make surveys,
10 examinations, photographs, tests, and samplings or to engage in other
11 activities for the purpose of appraising the property or determining whether
12 the real property is suitable for the authority's purpose.

13
14 14-144-206. Condemnation petition – Notice.

15 (a) A research park authority may exercise its power of eminent domain
16 by filing an appropriate petition in condemnation in the circuit court of the
17 county in which the property sought to be taken is situated to have the
18 compensation determined, giving the owner of the property to be taken at
19 least ten (10) days' notice in writing of the time and place where the
20 petition will be heard.

21 (b)(1) If the property sought to be condemned is located in more than
22 one (1) county, the petition may be filed in any circuit court having
23 jurisdiction in any county in which any part of the property may be located.

24 (2) The proceedings had in the circuit court shall apply to all
25 of the property described in the petition.

26 (c)(1)(A) If the owner of the property sought to be taken is a
27 nonresident of the state, notice shall be by registered or certified mail,
28 return receipt requested, addressed to the last known address of the owner,
29 and by publication in any newspaper in the county that is authorized by law
30 to publish legal notices.

31 (B) This notice shall be published for the same length of
32 time as may be required in other civil causes.

33 (2) If there is no such newspaper published in the county, then
34 publication shall be made in a newspaper designated by the circuit clerk, and
35 one (1) written or printed notice of the petition shall be posted on the door
36 of the county courthouse.

1 (d)(1) The condemnation petition shall describe the lands and property
2 sought.

3 (2) When the immediate possession of lands and property is
4 sought to be obtained, the research park authority may file a declaration of
5 taking under this chapter at any time before judgment or together with the
6 condemnation petition.

7
8 14-144-207. Declaration of taking.

9 (a)(1) The petitioner may file a declaration of taking at any time
10 before a judgment is signed by the chair of the research park authority
11 board, or with the condemnation petition, in any proceeding instituted by and
12 in the name of the research park authority that involves the acquisition of
13 real property, an interest in the real property, or the easement.

14 (2) The declaration shall declare that the authority is taking
15 the real property, an interest in the real property, or the easement for the
16 use of the authority.

17 (b) The declaration of taking shall contain or have annexed to it the
18 following:

19 (1) A statement that the authority is taking the real property,
20 an interest in real property, or an easement;

21 (2) A statement of the purpose for which the authority is taking
22 the real property, an interest in the real property, or the easement;

23 (3) A description of the real property, an interest in the real
24 property, or the easement that the authority is taking, sufficient for the
25 identification of the real property, an interest in the real property, or the
26 easement;

27 (4) A plat showing the real property, the interest in the real
28 property, or the easement that the authority is taking; and

29 (5) A statement of the amount of money estimated by the
30 acquiring authority to be just compensation for the taking of the real
31 property, an interest in the real property, or the easement.

32
33 14-144-208. Condemnation proceedings and judgment.

34 (a) The circuit court shall impanel a jury of twelve (12) persons, as
35 in other civil cases, to ascertain the amount of compensation that the
36 research park authority shall pay for the real property, an interest in the

1 real property, or an easement that the authority is taking.

2 (b) The matter shall proceed and be determined as in other civil
3 cases.

4 (c) In all cases of infants or incompetent persons, when no legal
5 representative or guardian appears in the infant's or incompetent person's
6 behalf at the hearing, the court shall appoint a guardian ad litem who shall
7 represent interests of the infant or incompetent person for all purposes.

8 (d) Compensation shall be ascertained and awarded in the proceeding
9 and established by judgment in the proceeding.

10
11 14-144-209. Acquisition of property.

12 (a) Whenever it is deemed necessary by a research park authority, in
13 connection with the exercise of its powers conferred in this chapter, to take
14 or acquire any lands, structures, buildings or other rights, either in fee or
15 as easements, for the purposes set forth in this chapter, the authority may
16 purchase them directly or through its agents from the owners thereof, or
17 failing to agree with the owners, the authority may exercise the power of
18 eminent domain in accordance with the procedures set forth in this chapter,
19 and these purposes are declared to be public uses for which private property
20 may be taken with just compensation.

21 (b) Should an authority elect to exercise the right of eminent domain,
22 condemnation proceedings shall be maintained by and in the name of the
23 authority, and it may proceed in the manner provided in this chapter and the
24 general laws of the State of Arkansas not in conflict with this chapter that
25 are applicable to the procedure by any county, municipality, accredited
26 institution of higher education, or other authority organized under the laws
27 of the State of Arkansas.

28
29 SUBCHAPTER 3. FINANCE.

30
31 14-144-301. Issuance of revenue bonds – Authorization.

32 (a) An research park authority may use any available revenues for the
33 accomplishment of the purposes and the implementation of the powers
34 authorized by this chapter, including the proceeds of revenue bonds issued
35 from time to time under this chapter, either alone or together with other
36 available funds and revenues.

1 (b) The amount of each issue of bonds may be sufficient to pay:

2 (1) The costs of accomplishing the purposes for which the bonds
3 are being issued;

4 (2) The cost of issuing the bonds;

5 (3) The amount necessary for a reserve, if it is determined to
6 be desirable in favorably marketing the bonds;

7 (4) The amount, if any, necessary to provide for debt service on
8 the bonds until revenues for the payment of the bonds are available; and

9 (5) Any other costs and expenditures of whatever nature
10 incidental to the accomplishment of the specified purposes.

11
12 14-144-302. Issuance of revenue bonds – Resolution of research park
13 authority – Nature of bonds.

14 (a) The issuance of revenue bonds shall be by resolution of the
15 research park authority.

16 (b) The bonds of each issue may:

17 (1) Be coupon bonds payable to bearer or may be registrable as
18 to principal only or as to both principal and interest;

19 (2) Be in such form and denominations as may be appropriate and
20 necessary;

21 (3) Be made payable at such places within or without the state
22 as may be appropriate and necessary;

23 (4) Be issued in one (1) or more series;

24 (5) Have such date or dates as may be appropriate and necessary;

25 (6) Mature at such time or times as may be appropriate and
26 necessary, not exceeding forty (40) years from their respective dates;

27 (7) Bear interest at such rate or rates;

28 (8) Be payable in such medium of payment as may be appropriate
29 and necessary;

30 (9) Be subject to such terms of redemption as may be appropriate
31 and necessary; and

32 (10) Contain such terms, covenants, and conditions as the
33 resolution authorizing their issuance may provide, including without
34 limitation, those pertaining to:

35 (A) The custody and application of the proceeds of the
36 bonds;

1 (B) The collection and disposition of revenues;

2 (C) The maintenance and investment of various funds and
3 reserves;

4 (D) The imposition and maintenance of taxes, fees, rates,
5 and charges for the use of the research park and other facilities of the
6 authority;

7 (E) The nature and extent of the security;

8 (F) The rights, duties, and obligations of the authority
9 and the trustee for the holders and registered owners of the bonds; and

10 (G) The rights of the holders and registered owners of the
11 bonds.

12 (c)(1)(A) There may be successive bond issues for the purpose of
13 financing the same project.

14 (B) There may also be successive bond issues for financing
15 the cost of reconstructing, replacing, constructing additions to, extending,
16 improving, and equipping projects already in existence, whether or not
17 originally financed by bonds issued under this chapter, with each successive
18 issue to be authorized as provided in this chapter.

19 (2) The priority between and among issues and successive issues
20 as to security and the pledge of revenues and lien on and security interest
21 in the land, buildings, and facilities involved may be controlled by the
22 resolutions authorizing the issuance of bonds under this chapter.

23 (d) Subject to this section, the bonds shall have all the qualities of
24 negotiable instruments under the laws of the State of Arkansas.

25

26 14-144-303. Issuance of revenue bonds – Indenture.

27 (a) The resolution authorizing the bonds may provide for the execution
28 by the research park authority of an indenture that defines the rights of the
29 holders and registered owners of the bonds and provides for the appointment
30 of a trustee for the holders and registered owners of the bonds.

31 (b) The indenture may control the priority between successive issues
32 and may contain any other terms, covenants, and conditions that are deemed
33 desirable, including without limitation those pertaining to:

34 (1) The custody and application of the proceeds of the bonds;

35 (2) The collection and disposition of revenues;

36 (3) The maintenance of various funds and reserves;

1 (4) The imposition and maintenance of taxes, fees, rates, and
2 charges for the use of the research park and other facilities of the
3 authority;

4 (5) The nature and extent of the security;

5 (6) The rights, duties, and obligations of the authority and the
6 trustee; and

7 (7) The rights of the holders and registered owners of the
8 bonds.

9
10 14-144-304. Issuance of revenue bonds – Price and manner sold.

11 The bonds may be sold for a price, including sale at a discount, and in
12 a manner the research park authority may determine by resolution.

13
14 14-144-305. Issuance of revenue bonds – Execution.

15 (a)(1) The bonds shall be executed by the manual or facsimile
16 signatures of the chair and secretary of the board of the research park
17 authority.

18 (2) In case any of the officers whose signatures appear on the
19 bonds or coupons cease to be officers before the delivery of the bonds or
20 coupons, their signatures shall nevertheless be valid and sufficient for all
21 purposes.

22 (b) The coupons attached to the bonds may be executed by the facsimile
23 signature of the chair of the authority.

24
25 14-144-306. Issuance of revenue bonds – Obligation of research park
26 authority.

27 (a) The revenue bonds issued under this chapter shall be obligations
28 only of the research park authority and shall not be general obligations of
29 any county or municipality, accredited institution of higher education, or
30 the State of Arkansas.

31 (b)(1) The revenue bonds shall not constitute an indebtedness of any
32 county or municipality, accredited institution of higher education, or the
33 State of Arkansas within the meaning of any constitutional or statutory
34 limitation.

35 (2) It shall be plainly stated on the face of each bond that the
36 bond has been issued under the provisions of this chapter and that the bond

1 does not constitute an indebtedness of any county or municipality, accredited
2 institution of higher education, or the State of Arkansas within any
3 constitutional or statutory limitation.

4 (c) The principal of and interest on the bonds may be secured, to the
5 extent set forth in the resolution or indenture securing the bonds, by a
6 pledge of and payable from all or any part of revenues derived from the use
7 of facilities of the authority, including, without limitation:

8 (1) Revenues derived from rates and charges imposed and
9 maintained for the use of facilities of the authority;

10 (2) Revenues derived from taxes or fees levied under this
11 chapter; and

12 (3) Lease rentals under leases or payments under security
13 agreements or other instruments entered into under this chapter.

14
15 14-144-307. Issuance of revenue bonds – Refunding bonds.

16 (a)(1) Revenue bonds may be issued under this chapter to refund any
17 obligations issued under this chapter.

18 (2) The refunding bonds may be combined with bonds issued into a
19 single issue.

20 (b)(1) When bonds are issued under this section for refunding
21 purposes, the bonds may either be sold or delivered in exchange for the
22 outstanding obligations.

23 (2) If the bonds are sold, the proceeds may be either applied to
24 the payment of the obligations refunded or deposited in escrow for the
25 retirement of the bonds.

26 (c)(1) All refunding bonds issued under this chapter shall, in all
27 respects, be authorized, issued, and secured in the manner provided for other
28 bonds issued under this chapter and shall have all the attributes of those
29 bonds.

30 (2) The resolution under which the refunding bonds are issued
31 may provide that any of the refunding bonds shall have the same priority of
32 lien on the revenues pledged for their payment as was enjoyed by the
33 obligations refunded by the bonds.

34
35 14-144-308. Issuance of revenue bonds – Mortgage lien.

36 (a) The resolution or indenture securing the bonds may impose a

1 foreclosable mortgage lien upon or security interest in the facilities of the
2 research park authority, or any portion of the facilities, and the extent of
3 the mortgage lien or security interest may be controlled by the resolution or
4 indenture, including without limitation, provisions pertaining to the release
5 of all or part of the facilities subject to the mortgage lien or security
6 interest in the event of successive issues of bonds.

7 (b) Subject to the terms, conditions and restrictions contained in the
8 resolution or indenture, any holder of any of the bonds, or of any coupon
9 attached to a bond, or a trustee on behalf of the holders either at law or in
10 equity may enforce the mortgage lien or security interest and by proper suit
11 may compel the performance of the duties of the officials of the authority
12 set forth in this chapter and set forth in the resolution or indenture.

13
14 14-144-309. Issuance of revenue bonds – Default.

15 (a)(1) In the event of a default in the payment of the principal of or
16 interest on any bonds issued under this chapter, a court having jurisdiction
17 may appoint a receiver to take charge of any facilities upon or in which
18 there is a mortgage lien or security interest securing the bonds in default.

19 (2) The receiver may operate and maintain the facilities in
20 receivership and to charge and collect taxes, fees, rates, and rents
21 sufficient to provide for the payment of any costs of receivership and
22 operating expenses of the facilities in receivership and to apply the
23 revenues derived from the facilities in receivership in conformity with this
24 chapter and the resolution or indenture securing the bonds in default.

25 (3) When the default has been cured, the receivership shall be
26 ended and the facilities returned to the research park authority.

27 (b) The relief provided for in this section is in addition and
28 supplemental to the remedies that may be provided for in the resolution or
29 indenture securing the bonds and shall be so granted and administered as to
30 accord full recognition to the priority rights of bondholders as to the
31 pledge of revenues from, mortgage lien on, and security interest in
32 facilities as specified in and fixed by the resolution or indenture securing
33 successive issues of bonds.

34
35 14-144-310. Agreements to obtain funds.

36 In connection with obtaining funds for its purposes, a research park

1 authority may enter into an agreement with any person, including the federal
2 government or any agency or subdivision of the federal government, containing
3 such provisions, covenants, terms, and conditions as the authority deems
4 advisable.

5
6 14-144-311. Exemption from taxation.

7 (a) The property of each research park authority is exempt from all
8 local and municipal taxes.

9 (b) Bonds, notes, debentures, and other evidences of indebtedness of
10 the authority are declared to be issued for a public purpose and to be public
11 instrumentalities and, together with interest thereon, are exempt from all
12 state, county, and municipal taxes, including without limitation income tax,
13 inheritance tax, and estate taxes.

14 (c) The establishment, development, and growth of research parks in
15 the State of Arkansas serves a public purpose and use through:

16 (1) The creation of high-paying jobs;

17 (2) The ability to retain some of our most highly educated
18 Arkansans;

19 (3) The growth of Arkansas-based businesses whose focus on the
20 research and development of products and services will serve to diversify
21 Arkansas's economy; and

22 (4) A strategic alliance between business and higher education
23 that has the potential to substantially improve Arkansas's economy.

24
25 14-144-312. Use of surplus funds.

26 (a) If a research park authority realizes a surplus, whether from
27 operating the research park facilities and other facilities or leasing it or
28 them for operation, over and above the amount required for the maintenance,
29 improvement, and operation of the research park facility and other facilities
30 and for meeting all required payments on its obligations, the authority shall
31 set aside the reserve for future operations, improvements, and contingencies
32 as the authority deems proper and shall then apply the residue of the
33 surplus, if any, to the payment of any recognized and established obligations
34 not then due.

35 (b) After all the recognized and established obligations have been
36 paid off and discharged in full, the authority shall set aside at the end of

1 each fiscal year the reserve for future operations, improvements, and
2 contingencies as prescribed in subsection (a) of this section and then pay
3 the residue of the surplus, if any, to the sponsoring county, municipality,
4 accredited institution of higher education and, if applicable, state agency,
5 in direct proportion to each sponsor's financial contributions to the
6 authority, if the distribution of the residue of the surplus does not violate
7 United States law or the terms of any deed, grant agreement, or other
8 agreement with the United States.

9
10 14-144-313. Public and private contributions.

11 (a) Contributions may be made to a research park authority from time
12 to time by any county, municipality, or accredited institution of higher
13 education, by the State of Arkansas or any agency of the state, or by any
14 person.

15 (b)(1) In order to afford maximum opportunities for contributions, the
16 agreement provided for under § 14-144-201 may be treated as a cooperative
17 agreement under the provisions of the Interlocal Cooperation Act, § 25-20-101
18 et seq., and at the election of the sponsors of the authority may contain
19 language enabling the agreement to be treated as a formal compact under § 14-
20 165-201 et seq.

21 (2) If the conditions set forth in subdivision (b)(1) of this
22 section are met, the authority shall hold title to property in its powers and
23 capacity as a public corporation rather than as a commission-trustee as
24 provided in §§ 14-165-201 et seq., or may be treated as a less formal
25 arrangement for the cooperative use of industrial development bond funds, all
26 to the end that the counties and municipalities may contribute to the
27 authority funds derived from general obligation bonds under Arkansas
28 Constitution, and the Arkansas Constitution, from revenue bonds under § 14-
29 164-201 et seq., and from other available sources, and may contribute funds
30 derived from a combination of these sources.

31
32 14-144-314. Accounts and reports.

33 (a)(1) All funds received by a research park authority shall be
34 deposited in such banks as the research park authority may direct and shall
35 be withdrawn from those banks in a manner the authority may direct.

36 (2)(A) Each authority shall keep strict account of all of its

1 receipts and expenditures and shall each quarter make a report to those
2 participating entities that have made contributions.

3 (B)(i) The report shall contain an itemized account of the
4 authority's receipts and disbursements during the preceding quarter.

5 (ii) The report shall be made within sixty (60) days
6 after the end of the quarter.

7 (b)(1)(A) Within sixty (60) days after the end of each fiscal year,
8 each research park authority shall cause an annual audit to be made by an
9 independent certified public accountant and shall file a copy of the
10 resulting audit report with each of the governing bodies participating in the
11 authority.

12 (B) The audit shall contain an itemized statement of the
13 authority's receipts and disbursements for the preceding year.

14 (2) The books, records, and accounts of each authority shall be
15 subject to audit and examination by any proper public official or body in the
16 manner provided by law.

17
18 14-144-315. County, municipal, and state participation.

19 A county, municipality, accredited institution of higher education, and
20 state agency that is a sponsor of a research park authority may:

21 (1) Appoint members of a research park authority;

22 (2) Contribute to the cost of acquiring, constructing,
23 equipping, maintaining, and operating the research park facilities and
24 appurtenant facilities; and

25 (3) Transfer and convey to the authority property of any kind
26 acquired by the county, municipality, accredited institution of higher
27 education, and state agency or the State of Arkansas for research and
28 economic development.

29
30 14-144-316. Lease of facilities.

31 (a) Each research park authority may lease its research park
32 facilities and all or any part of its appurtenances and facilities to any
33 available lessee at a rental and upon such terms and conditions as the
34 authority deems proper.

35 (b) Leases shall be for some purpose associated with research or
36 economic development activities that serve to build the local, regional, and

1 state economies.

2
3 14-144-317. Sale of assets.

4 If the board of a research park authority so determines, the authority
5 may sell all or any part of its properties and assets and distribute the
6 proceeds among the sponsoring counties, municipalities, accredited
7 institutions of higher education, and state agencies, in the proportion each
8 sponsor contributed to the authority's funds or otherwise in the manner set
9 forth in the agreement or resolution establishing the authority, if no sale
10 of properties or assets and no distribution of proceeds of a sale is done in
11 a manner that violates United States law or the terms of any deed, grant
12 agreement, or other agreement with the United States.

13
14 14-144-318. Authorized investors.

15 Any county or municipality or any board, commission, or other authority
16 established by ordinance of any county or municipality, or the boards of
17 trustees, respectively, of the firemen's relief and pension fund and the
18 policemen's pension and relief fund of any such municipality, or the board of
19 trustees of any retirement system created by the General Assembly may invest
20 any of its funds not immediately needed for its purposes, in bonds issued
21 under this chapter, and bonds issued under this chapter shall be eligible to
22 secure the deposit of public funds.

23
24 SECTION 2. Arkansas Code § 26-51-1101 is amended to read as follows:
25 26-51-1101. Definitions.

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

27 (1) "Accredited institution of higher education" means a four-
28 year public college or university that offers bachelor's degrees and is
29 recognized by the Department of Higher Education for credit;

30 ~~(1)~~(2) "Machinery and equipment" means tangible personal
31 property used in connection with a qualified education program or a qualified
32 research program ~~which~~ that has been approved for a tax credit under rules
33 and regulations prescribed by the Department of Finance and Administration;

34 ~~(2)~~(3) "New" means the machinery and equipment is state-of-the-
35 art machinery and equipment which has:

36 (A) Never been used except for normal testing by the

1 manufacturer to ~~insure~~ ensure that the machinery or equipment is of a proper
2 quality and in good working order; or

3 (B) Been used by the retailer or wholesaler solely for the
4 purpose of demonstrating the product to customers for sale;

5 ~~(3)~~(4) "State-of-the-art-machinery and equipment" means
6 machinery and equipment which is of the same type, design, and capability as
7 like machinery and equipment which is currently sold or manufactured by the
8 donee for sale to customers;

9 ~~(4)~~(5) "Cost" means:

10 (A) In the case of a donation or sale below cost by a
11 wholesale or retail business, the amount actually paid by the wholesaler or
12 retailer to the supplier for the machinery or equipment; or

13 (B) In the case of a donation or sale below cost by a
14 manufacturer of machinery or equipment, the enhanced value of the materials
15 used to produce the machinery or equipment, which shall be deemed to be the
16 lowest price at which the manufacturer sells the machinery or equipment;

17 ~~(5)~~(6) "Qualified educational institution" means:

18 (A) Any public university, college, junior college, or
19 vocational technical training school supported by the State of Arkansas;

20 (B) Any private university, college, junior college, or
21 vocational technical training school located in Arkansas and qualified for
22 tax-exempt status under the Arkansas Income Tax Act, ~~as amended~~ § 26-51-101
23 et seq.; or

24 (C) Any public elementary or secondary school;

25 ~~(6)~~(7) "Qualified research expenditures" means the sum of any
26 amounts which are paid or incurred by a taxpayer during the taxable year in
27 funding a qualified research program which that has been approved for tax
28 credit treatment under rules ~~and regulations~~ promulgated by the Department of
29 Finance and Administration;

30 ~~(7)~~(8) "Qualified research program" means a program of applied
31 or basic research undertaken by a qualified educational institution pursuant
32 to rules ~~and regulations~~ jointly prescribed by the Arkansas Science and
33 Technology Authority and the Department of Higher Education under § 15-3-110;

34 ~~(8)~~(9) "Qualified education program" means a program conducted
35 by a qualified educational institution under rules ~~and regulations~~ prescribed
36 by the Department of Higher Education for programs in colleges, universities,

1 or junior colleges, by the ~~Vocational and Technical Division of the~~
2 ~~Department of Education~~ Department of Workforce Education for programs in
3 vocational technical training schools and by the ~~General Education Division~~
4 ~~of the~~ Department of Education for programs in elementary or secondary
5 schools, all of which programs are for the purpose of promoting the use of
6 new machinery and equipment for classroom, laboratory, and other educational
7 instruction; and

8 (10) "Research park authority" means a public entity created
9 under the Research Park Authority Act, § 14-144-101 et seq. to provide
10 facilities and support for businesses engaged in research and development in
11 pursuit of economic development opportunities.

12
13 SECTION 3. Arkansas Code § 26-51-1102, concerning tax credits for
14 donations to educational institutions, is amended to add an additional
15 subsection to read as follows:

16 (c)(1) There is granted a credit against a taxpayer's Arkansas
17 corporate income tax or Arkansas individual income tax equal to thirty-three
18 percent (33%) of a donation made to an accredited institution of higher
19 education to support a research park authority.

20 (2) In order to claim this credit authorized by subdivision
21 (c)(1) of this section, a donation made in support of a research park
22 authority shall:

23 (A) Be consistent with the research and development plan
24 approved by the Board of Directors of the Arkansas Science and Technology
25 Authority, as evidenced by a letter of support from the President of the
26 Arkansas Science and Technology Authority; and

27 (B) Support either directly or indirectly research subject
28 to being funded by one (1) or more federal agencies, as enumerated in § 15-3-
29 205(1).

30
31 SECTION 4. Arkansas Code § 26-74-203(3), regarding definitions for
32 sales and use tax for capital improvements, is amended to read as follows:

33 (3) "Capital improvements of a public nature" means:

34 (A) Streets;

35 (B) Roads;

36 (C) Public parks;

- 1 (D) Port facilities;
- 2 (E) Tourism facilities;
- 3 (F) Airport facilities;
- 4 (G) Sewerage facilities;
- 5 (H) Waterworks facilities;
- 6 (I) Fire protection facilities;
- 7 (J) Convention center facilities;
- 8 (K) Courthouses;
- 9 (L) Police facilities;
- 10 (M) Public transit facilities;
- 11 (N) Auditoriums;
- 12 (O) Prisons;
- 13 (P) Libraries;
- 14 (Q) Hospital and nursing home facilities;
- 15 (R) Solid waste facilities;
- 16 (S) Sanitation facilities;
- 17 (T) Bridges;
- 18 (U) Electric facilities;
- 19 (V) Hydroelectric facilities;
- 20 (W) Facilities for the securing and developing of
- 21 industry;
- 22 (X) Natural gas facilities;
- 23 (Y) Parking facilities;
- 24 (Z) Public housing facilities;
- 25 (AA) Pollution control facilities;
- 26 (BB) Public education facilities;
- 27 (CC) Drainage facilities;
- 28 (DD) Pedestrian facilities;
- 29 (EE) Lakes;
- 30 (FF) Dams;
- 31 (GG) Waterways; ~~and~~
- 32 (HH) Regional mobility authority surface transportation
- 33 systems; and
- 34 (II) Research parks;
- 35

36 SECTION 5. Arkansas Code § 26-74-303(3), regarding definitions for

1 sales tax for capital improvements, is amended to read as follows:

2 (3) "Capital improvements of a public nature" means:

- 3 (A) Streets;
- 4 (B) Roads;
- 5 (C) Public parks;
- 6 (D) Port facilities;
- 7 (E) Tourism facilities;
- 8 (F) Airport facilities;
- 9 (G) Sewerage facilities;
- 10 (H) Waterworks facilities;
- 11 (I) Fire protection facilities;
- 12 (J) Convention center facilities;
- 13 (K) Courthouses;
- 14 (L) Police facilities;
- 15 (M) Public transit facilities;
- 16 (N) Auditoriums;
- 17 (O) Prisons;
- 18 (P) Libraries;
- 19 (Q) Hospital and nursing home facilities;
- 20 (R) Solid waste facilities;
- 21 (S) Sanitation facilities;
- 22 (T) Bridges;
- 23 (U) Electric facilities;
- 24 (V) Hydroelectric facilities;
- 25 (W) Facilities for the securing and developing of
- 26 industry;
- 27 (X) Natural gas facilities;
- 28 (Y) Parking facilities;
- 29 (Z) Public housing facilities;
- 30 (AA) Pollution control facilities;
- 31 (BB) Public education facilities;
- 32 (CC) Drainage facilities;
- 33 (DD) Pedestrian facilities;
- 34 (EE) Lakes;
- 35 (FF) Dams;
- 36 (GG) Waterways; ~~and~~

1 (HH) Regional mobility authority surface transportation
2 systems; and

3 (II) Research parks;
4

5 SECTION 6. Arkansas Code § 26-75-203(3), regarding definitions for
6 sales tax for capital improvements, is amended to read as follows:

7 (3) "Capital improvements of a public nature" means:

- 8 (A) Street facilities;
- 9 (B) Road facilities;
- 10 (C) Public parks and other recreational facilities;
- 11 (D) Port facilities;
- 12 (E) Tourism facilities;
- 13 (F) Airport facilities;
- 14 (G) Sewerage facilities;
- 15 (H) Waterworks facilities;
- 16 (I) Fire protection facilities;
- 17 (J) Convention center facilities;
- 18 (K) City halls and other municipal buildings;
- 19 (L) Courthouses;
- 20 (M) Police facilities;
- 21 (N) Public transit facilities;
- 22 (O) Auditoriums;
- 23 (P) Prisons;
- 24 (Q) Libraries;
- 25 (R) Hospital and nursing home facilities;
- 26 (S) Solid waste facilities;
- 27 (T) Sanitation facilities;
- 28 (U) Bridges;
- 29 (V) Electric facilities;
- 30 (W) Hydroelectric facilities;
- 31 (X) Facilities for the securing and developing of
32 industry;
- 33 (Y) Natural gas facilities;
- 34 (Z) Parking facilities;
- 35 (AA) Public housing facilities;
- 36 (BB) Pollution control facilities;

- 1 (CC) Public education facilities;
- 2 (DD) Drainage facilities;
- 3 (EE) Pedestrian facilities;
- 4 (FF) Lakes;
- 5 (GG) Dams;
- 6 (HH) Waterways; ~~and~~
- 7 (II) Regional mobility authority surface transportation
- 8 systems; and
- 9 (JJ) Research parks;

10
11 SECTION 7. Arkansas Code § 26-75-303(3), regarding definitions for
12 sales tax for capital improvements, is amended to read as follows:

13 (3) "Capital improvements of a public nature" means:

- 14 (A) Streets;
- 15 (B) Roads;
- 16 (C) Public parks;
- 17 (D) Port facilities;
- 18 (E) Tourism facilities;
- 19 (F) Airport facilities;
- 20 (G) Sewerage facilities;
- 21 (H) Waterworks facilities;
- 22 (I) Fire protection facilities;
- 23 (J) Convention center facilities;
- 24 (K) City halls;
- 25 (L) Courthouses;
- 26 (M) Police facilities;
- 27 (N) Public transit facilities;
- 28 (O) Auditoriums;
- 29 (P) Prisons;
- 30 (Q) Libraries;
- 31 (R) Hospital and nursing home facilities;
- 32 (S) Solid waste facilities;
- 33 (T) Sanitation facilities;
- 34 (U) Bridges;
- 35 (V) Electric facilities;
- 36 (W) Hydroelectric facilities;

1 (X) Facilities for the securing and developing of
 2 industry;
 3 (Y) Natural gas facilities;
 4 (Z) Parking facilities;
 5 (AA) Public housing facilities;
 6 (BB) Pollution control facilities;
 7 (CC) Public education facilities;
 8 (DD) Drainage facilities;
 9 (EE) Pedestrian facilities;
 10 (FF) Lakes;
 11 (GG) Dams;
 12 (HH) Waterways; ~~and~~
 13 (II) Regional mobility authority surface transportation
 14 systems; and
 15 (JJ) Research parks;
 16

17 SECTION 8. EMERGENCY CLAUSE. It is found and determined by the
 18 General Assembly of the State of Arkansas that the development of products
 19 and services derived from research activities involving Arkansas institutions
 20 of higher education and businesses and entrepreneurs involved in these
 21 research activities form the basis for much needed economic development that
 22 capitalizes on knowledge acquired through research; that the resulting
 23 intellectual property that is the foundation for business development
 24 presents opportunities for the State of Arkansas to compete effectively in
 25 the changing global economy; that the opportunities available for the growth
 26 of knowledge-based businesses are dependent upon the State of Arkansas
 27 creating an environment that allows these new businesses to grow and succeed
 28 in Arkansas; and that this act is immediately necessary to develop and retain
 29 these knowledge-based businesses in the State of Arkansas. Therefore, an
 30 emergency is declared to exist and this act being necessary for the
 31 preservation of the public peace, health, and safety shall become effective
 32 on:

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

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

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

/s/ Broadway

APPROVED: 4/4/2007