

"AN ACT AMENDING THE LOCAL GOVERNMENT BOND ACT OF 1985, ARK. CODE ANN. 14-164-301 to 14-164-337, BY ADDING A NEW 14-164-338 AUTHORIZING LOCAL GOVERNMENTS TO FINANCE CAPITAL IMPROVEMENTS ON A PAY-AS-YOU-GO BASIS WITHOUT ISSUING BONDS; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES."

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

SECTION 1. The Local Government Bond Act of 1985, Ark. Code Ann. 14-164-301 to 14-164-337, is hereby amended by adding a new 14-164-338 to read as follows:

"14-164-338. Alternative to issuance of bonds.

If a legislative body determines that a one percent (1%) sales or use tax or any other local tax authorized by law would, if levied for no longer than twelve (12) months, produce sufficient revenue to finance capital improvements of a public nature without resorting to a bond issue, the legislative body may dispense with the issuance of bonds, levy the tax for no longer than twelve (12) months, and appropriate the resulting revenues, subject to paragraphs 2 through 4 of Section 4 of Article 12 of the Arkansas Constitution, provided:

(a) a majority of the qualified electors of the county or municipality voting on the question at a general or special election shall have approved the tax and the purpose of the capital improvements; and

(b) the revenues from the tax are expended solely for the purpose authorized by the electorate."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 3. EMERGENCY. It is hereby found and determined by the General Assembly that some local governments have an immediate and pressing need to finance capital improvements without incurring unnecessary bond issue expenses; that until this Act becomes effective, the local governments must either finance those capital improvements through bond issues or delay commencing the capital improvements which would in either case result in greater cost than using the method provided by this Act; and that this Act should be given effect immediately in order to minimize the amount of taxes necessary to finance capital improvements. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: 7/25/88

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