

Act 405 of the 1989 Regular Session.

Act 405

HB1337

By: Representatives Todd, Landers and Holland

"AN ACT TO AUTHORIZE THE GOVERNING BODY OF A CITY OR THE QUORUM COURT OF THE COUNTY TO ESTABLISH AN ECONOMIC DEVELOPMENT GRANT PROGRAM; TO REQUIRE THE CITY OR COUNTY ORDINANCE TO ESTABLISH ECONOMIC DEVELOPMENT GOALS AND OBJECTIVES IN AWARDING THE GRANTS; TO PRESCRIBE THAT THE GRANTEE SHALL REPORT TO THE GOVERNING BODY OR QUORUM COURT; AND FOR OTHER PURPOSES."

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

SECTION 1. This act shall be known and cited as the "City and County Economic Development Grant Authorization Act".

SECTION 2. As used in this act, unless the context otherwise requires:

(1) "City" means any city of the first class, any city of the second class, or any incorporated town established by the laws of the State of Arkansas;

(2) "County" means any county in the State of Arkansas;

(3) "Economic development grant program" means a governmental program to award grants to non-profit corporations to encourage the location, relocation, creation, or development of a business, industry, manufacturing facility, transportation facility, or other economic unit which creates jobs, employees people, or generates economic activity;

(4) "Grant" means an award or transfer of public funds to a non-profit corporation under a set of prescribed criteria to accomplish the public purpose of economic development in the city or in the county or in their surrounding areas; and

(5) "Grantee" means the non-profit corporation to whom the grant is awarded based on the prescribed criteria for awarding the funds under the establishing ordinance.

SECTION 3. The governing body of any city or the quorum court of any county in Arkansas shall be authorized under this act to to establish by ordinance a program for the awarding of grants to any non-profit corporation, organization, or association to aid or assist or otherwise promote economic development in the city or the county or in their surrounding areas. The grants shall be paid from funds appropriated by the governing body of the city or the quorum court for the economic development grant program authorized by this act.

SECTION 4. The city or county economic development grant ordinance shall:

(1) provide for the mayor or county judge or a designee to administer the grant program authorized under this act;

(2) require the mayor or county judge to take the necessary action to ensure that the funds are used for the purposes for which the grant is to be awarded and that they are expended in accordance with all state laws and local ordinances and other local procedures and regulations of the awarding government;

(3) specify the procedure for receiving applications for grants, who is eligible to apply for grants, the economic development goals and objectives of the city or county economic development grant program, and the procedures for awarding the grants; and

(4) require the grantee to file a report with the governing body of the city or the quorum court of the county within thirty (30) days after the end of the calendar year in which the grant is awarded explaining the exact amount of expenditures of the grant funds, the purpose for which the grant fund was awarded and expended, and the economic development goals and objectives that were accomplished as a result of the expenditure of the grant funds.

SECTION 5. The mayor or county judge or a designee shall promulgate the forms to be used in applying for the city or county economic development grant. All applications shall be submitted as required by the establishing ordinance. After receipt of the application, the mayor or county judge or a designee shall review the economic development grant applications and shall select the applications by rank order which will best fulfill the economic goals and objectives of the economic development grant program as described by the enabling ordinance. The mayor or county judge or a designee shall then award the economic development grants to the grant applicants based on their rank order on the list of grant applications. The grants may be awarded until all funds appropriated by the governing body of the city or the county quorum court for grants have expended.

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

SECTION 7. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 8. It is hereby found and determined by the Seventy-Seventh General Assembly of the State of Arkansas that economic development efforts are best accomplished with the maximum investment of monies at all levels of government and not just by state government; that it is uncertain whether or not local governments in Arkansas are authorized by law to expend local revenues for economic development purposes; and therefore the state needs to provide a legal mechanism to permit and to encourage local governments to become involved in economic development efforts. Therefore, in order to best address the legal uncertainty and at the same time encourage local governments to involve themselves in economic development efforts to provide jobs for their citizens, an emergency is hereby declared to exist, and this act being necessary for the immediate preservation of the public peace, health, and safety, shall be in full force and effect from and after its passage and approval.

APPROVED: March 8, 1989

---