

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**  
4 **By: Representative Cunningham**

# A Bill

**ACT 156 OF 1993**  
**HOUSE BILL 1172**

## For An Act To Be Entitled

"THE HISTORIC PRESERVATION LOAN ACT".

### Subtitle

"THE HISTORIC PRESERVATION LOAN ACT".

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

SECTION 1. Short Title. This act may be cited as the "Historic Preservation Loan Act".

SECTION 2. Purpose. The purpose of the Historic Preservation Loan Act is to provide owners of registered cultural properties in Arkansas with low-cost financial assistance in the restoration, rehabilitation and repair of properties listed in the state register of cultural properties or national register of historic places, which are a part of the state's heritage and which contribute substantially to the state's economic well being and to a sound and proper balance between preservation and development, through the creation of a self-sustaining revolving loan program to rehabilitate, repair and restore historic properties.

SECTION 3. As used in this act:

(a) "Fund" means the historic preservation loan fund;

(b) "Program" means the Arkansas Historic Preservation Program created by Arkansas Code 13-7-101 et seq.;

(c) "Property owner" means the sole owner, joint owner, owner in partnership or corporate owner of a registered cultural property, and includes the owner of a leasehold interest in a registered cultural property, if the term of the lease is not less than nineteen (19) years; and

(d) "Registered cultural property" means any site, structure, building

1 or object entered in the state register of cultural properties or national  
2 register of historic places or both.

3

4 SECTION 4. Fund created; administration.

5 (a) There is created on the books of the State Treasurer, State  
6 Auditor, and Chief Fiscal Officer, a revolving loan fund which shall be known  
7 as the Historic Preservation Revolving Loan Fund. The Program shall  
8 administer the fund and may make loans from the fund in accordance with this  
9 act.

10 (b) The Program shall deposit in the fund all receipts from the  
11 repayment of loans made pursuant to this act.

12 (c) The Program may deposit in the fund any private funds made  
13 available for the purposes of this act, and any federal funds made available  
14 for the purpose of making grants or loans to owners of registered historic  
15 properties. Such funds may be used by the Program to make or to subsidize  
16 loans made pursuant to this act.

17 (d) The Program may deposit in the fund any portion of the real estate  
18 transfer taxes deemed appropriate by the Program.

19 (e) In the event the Program ceases to make loans from the Fund, any  
20 monies remaining in the Historic Preservation Loan Fund may be transferred to  
21 the Natural and Cultural Resources Historic Preservation Fund as certified to  
22 the Chief Fiscal Officer of the State by the Department of Arkansas Heritage.

23

24 SECTION 5. Loan program; duties of Program.

25 (a) The Program shall make direct loans or loan subsidies upon such  
26 terms and conditions as it deems appropriate to owners of registered cultural  
27 properties for the restoration, rehabilitation or repair of those properties  
28 in accordance with this act.

29 (b) The Program shall adopt rules and regulations to govern the  
30 application procedure and requirements for making or subsidizing loans under  
31 this act.

32 (c) The Program shall adopt rules and regulations to govern the  
33 deposits with lending institutions for making or subsidizing loans under this  
34 act.

35 (d) The Program shall adopt a system for the priority ranking of

1 historic preservation projects, both eligible and ineligible for federal  
2 funding assistance, for which loan or loan subsidy applications have been  
3 received by the Program. The system shall be based on factors including  
4 geographic distribution of recipient projects, severity of deterioration of  
5 the registered property, the degree of architectural and construction detail  
6 in the loan application demonstrating the feasibility of the proposed  
7 restoration, rehabilitation or repair of the registered cultural property and  
8 availability of other funding for the project. All loans or loan subsidies  
9 from the fund shall be granted pursuant to this system, and the system shall  
10 be reviewed annually by the Program.

11 (e) The Program shall monitor the fund and shall prepare an annual  
12 report to the governor and the legislature detailing the operations of the  
13 fund.

14 (d) The Program has the authority necessary and appropriate for the  
15 exercise of the powers and duties conferred by this act.

16

17 SECTION 6. Loans; criteria. (a) Loans or loan subsidies from the  
18 fund shall be made only to property owners who:

19 (1) Agree to repay the loan and to maintain the registered  
20 cultural property as restored, rehabilitated or repaired for a specified  
21 period, but in no case less than seven (7) years;

22 (2) Agree to maintain complete and proper financial records  
23 regarding the registered cultural property and to make these available to the  
24 Program on request;

25 (3) Agree to complete the proposed rehabilitation, repair or  
26 restoration work on the registered cultural property within two (2) years from  
27 the date of project loan approval by the Program; and

28 (4) Provide sufficient collateral security interest in the  
29 registered cultural property to the State of Arkansas in accordance with rules  
30 and regulations established by the Program.

31 (b) A loan shall be made for a period not to exceed five (5) years  
32 with interest on the unpaid balance at a rate not greater than the yield at  
33 the time of loan approval on United States treasury bills with a maturity of  
34 three-hundred and sixty-five (365) days plus three and one-half percent (3  
35 1/2%). A loan shall be repaid by the property owner in equal installments not

1 less often than annually with the first installment due within one year of the  
2 date the loan is issued.

3 (c) Loans shall be made only for eligible costs. Eligible costs  
4 include architectural, engineering and planning costs, inspection of work in  
5 progress, contracted restoration, rehabilitation and repair costs and costs  
6 necessary to meet code requirements. Eligible costs shall not include costs  
7 of land acquisition, legal costs or fiscal agents\_ fees.

8  
9 SECTION 7. The Program may accept any property donated to it, may  
10 donate property or sell property to any person or entity and upon such terms  
11 as it deems in the best interest of the state. The Program may deposit the  
12 proceeds from the sale of property into a financial institution and use the  
13 proceeds for operating the Program.

14  
15 SECTION 8. All provisions of this act of a general and permanent nature  
16 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
17 Revision Commission shall incorporate the same in the Code.

18  
19 SECTION 9. If any provision of this act or the application thereof to  
20 any person or circumstance is held invalid, such invalidity shall not affect  
21 other provisions or applications of the act which can be given effect without  
22 the invalid provision or application, and to this end the provisions of this  
23 act are declared to be severable.

24  
25 SECTION 10. All laws and parts of laws in conflict with this act are  
26 hereby repealed.

27  
28 SECTION 11. It is hereby found and determined by the General Assembly  
29 that many historic properties are in dire need of restoration, rehabilitation,  
30 and repair; that in order to preserve these properties, public assistance is  
31 vital; that this act provides a program for such assistance; and that this act  
32 should go into effect immediately in order to implement the program as soon as  
33 possible and thereby preserve our historic structures. Therefore, an  
34 emergency is hereby declared to exist, and this act being immediately  
35 necessary for the preservation of the public peace, health, and safety shall

1 be in full force and effect from and after its passage and approval.

2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

APPROVED: 2/17/93

- 1
- 2
- 3
- 4