

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**

# **A Bill**

**ACT 164 OF 1993**  
**HOUSE BILL 1418**

4 **By: Representatives McKissack, McCuiston, S. Miller, Cunningham, Arnold, B.Wood, Rice,**  
5 **Mullenix, Hawkins, McJunkin, Purdom, Fairchild, Allen, Dietz, J. Roberts, Wilkins, and**  
6 **Sheid**

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## **For An Act To Be Entitled**

10 "AN ACT TO AMEND ARKANSAS CODE 14-171-202 ET SEQ, TO  
11 PROVIDE FOR CONTINUATION OF STATE ASSISTANCE FOR  
12 EXPENDITURES OF ELIGIBLE FACILITIES AFTER THE BONDS ISSUED  
13 TO FINANCE THE ELIGIBLE FACILITIES ARE FULLY RETIRED OR  
14 THE INVESTMENT OF THE CITY OR COUNTY OF ITS REVENUES IN  
15 THE ELIGIBLE FACILITIES ARE FULLY REPAID; AND FOR OTHER  
16 PURPOSES. "

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## **Subtitle**

19 **"PERTAINING TO THE CITY-COUNTY TOURIST MEETING**  
20 **AND ENTERTAINMENT FACILITIES ASSISTANCE LAW."**

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

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24 **SECTION 1. Section 14-171-202(6) of the Arkansas Code of 1987 Annotated is**  
25 **amended to read as follows:**

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**SECTION 2. Section 14-171-202 of the Arkansas Code of 1987 Annotated is amended**  
**to add the following:**

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**"(7) It is in the interest of both the state and its cities and counties for the state to**  
**assist any city or county in financing construction of and expenditures relating to tourist**  
**meeting facilities and tourist entertainment facilities by continuing to pay to the city or county,**  
**or the Facilities Operating Board of eligible facilities, a portion of the increased state sales tax**

1 revenues and state income tax revenues attributable to them, as is provided in this subchapter."  
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3 **SECTION 3. Section 14-171-203 of the Arkansas Code of 1987 Annotated is amended**  
4 **to read as follows:**

5 **"14-171-203. Definitions.**

6 **As used in this subchapter, unless the context otherwise requires:**

7 **(1) \_Amendment 13,\_ \_Amendment 17,\_ \_Amendment 18,\_ and \_Amendment 49\_ mean,**  
8 **respectively, the amendments to the Constitution of the State of Arkansas so numbered;**

9 **(2) \_Bonds\_ means either general obligation bonds or revenue bonds or a combination**  
10 **of them;**

11 **(3) \_City\_ means any city of the first or second class in this state;**

12 **(4) \_Expenditures\_ means capital improvements, maintenance, facility advertising,**  
13 **and facility event inducement;**

14 **(5) \_Facility advertising\_ means monies used to advertise and/or promote and/or**  
15 **market the facility for regional and/or national events;**

16 **(6) \_Facility event inducement\_ means monies used to benefit and/or to operate**  
17 **regional and/or national events held in the facility;**

18 **(7) \_County\_ means any county in this state;**

19 **(8) \_Delegate\_ means a person attending a national or regional meeting;**

20 **(9) \_Delegate days\_ means the total number of delegates attending a national or**  
21 **regional meeting times the average number of days of attendance by each delegate;**

22 **(10) \_Eligible facilities\_ means any publicly owned tourist meeting facilities or tourist**  
23 **entertainment facilities acquired or completed, or substantially reconstructed or expanded,**  
24 **after December 31, 1974. Manufacturing facilities are specifically excluded from this**  
25 **definition;**

26 **(11) \_Facilities Operating Board\_ means a board or commission created by a city or**  
27 **county to operate eligible facilities;**

28 **(12) \_General obligation bonds\_ means bonds issued by a city or county under**  
29 **Arkansas Constitution, Amendments 13, 17, 18, and 49 or similar constitutional provisions,**  
30 **payable from the proceeds of an ad valorem tax;**

31 **(13) \_National or regional meeting\_ means a meeting, show, or other function which is**  
32 **intended primarily for delegates from outside this state;**

33 **(14) \_Net Operating Maintenance Cost\_ is a set yearly cost per square foot established**  
34 **by the National Institute of Real Estate Management Experience Exchange;**

35 **(15) \_Revenue bonds\_ means bonds issued by a city or county which are limited or**

1 **special rather than general obligations of the issuer and which are not payable from the**  
2 **proceeds of an ad valorem tax;**

3 **(16) \_State income tax\_ means the Arkansas state income tax levied and being**  
4 **collected pursuant to the Income Tax Act of 1929;**

5 **(17) \_State sales tax\_ means the Arkansas gross receipts tax levied and being collected**  
6 **pursuant to the Arkansas Gross Receipts Tax Act of 1941;**

7 **(18) \_Tourist entertainment facilities\_ means any real, personal, or mixed property**  
8 **necessary or desirable in connection with the security and developing of sports facilities;**

9 **(19) \_Tourist meeting facilities\_ means any real, personal, or mixed property necessary**  
10 **or desirable in connection with a convention or meeting center, including, without limitation,**  
11 **auditoriums, exhibition halls, facilities for food preparation and serving, parking facilities, and**  
12 **administrative offices in connection with them."**

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14 **SECTION 4. Section 14-171-204 of the Arkansas Code of 1987 Annotated is amended**  
15 **to read as follows:**

16 **"14-171-204 Application for assistance generally**

17 **Any city or county that has acquired or constructed, or which desires to acquire or**  
18 **construct, eligible facilities may apply to the State Board of Finance for state assistance in**  
19 **paying not more than eighty percent (80%) of the debt service requirements, including**  
20 **principal, interest, and trustee's and paying agent's fees and charges, on bonds issued or to be**  
21 **issued by the city or county to finance all, or a portion of, the eligible facilities or eighty percent**  
22 **(80%) of any amounts theretofore expended by the city or county from its revenues to acquire**  
23 **or construct eligible facilities increased by an annual rate of interest equal to the lowest**  
24 **average rate paid by the affected city or county on its then last preceding issue of general**  
25 **obligation bonds until repayment in full of the investment of the city or county in eligible**  
26 **facilities with such assumed accrued and accruing interest. When the bonds issued to finance**  
27 **the eligible facilities or the investment of the city or county of its revenue in the eligible**  
28 **facilities has been repaid with accrued and accruing interest, the city or county may continue**  
29 **to apply to the State Board of Finance for continuing state assistance in paying expenditures**  
30 **relating to the eligible facilities."**

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32 **SECTION 5. Section 14-171-208(b) of the Arkansas Code of 1987 Annotated is**  
33 **amended to read as follows:**

34 **"(b) If the State Board of Finance determines that the facilities described in the**  
35 **application are eligible facilities and that the financing of, expenditures of, or repayment for**

1 such eligible facilities through a combination of bonds or other sources of revenue of the  
2 applicant and state assistance under this subchapter is in the best interest of the applicant and  
3 the state, the application shall be approved; otherwise the application shall be denied."  
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5 **SECTION 6. Section 14-171-208(c)(4) of the Arkansas Code of 1987 Annotated is**  
6 **amended to read as follows:**

7 **"(4) The estimated principal and interest requirements for the bonds issued in**  
8 **connection with the eligible facilities or amounts necessary to repay the investment by a city or**  
9 **county in eligible facilities or the expenditures of eligible facilities."**  
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11 **SECTION 7. Section 14-171-210 of the Arkansas Code of 1987 Annotated is amended**  
12 **to read as follows:**

13 **"14-171-210 State assistance**

14 **(a) If the application provided for in §§14-171-204 - 14-171-209 is approved, the State**  
15 **Board of Finance shall fix the amount of state assistance to the city or county to repay its**  
16 **investment or for paying debt service on the bonds issued to finance, in whole or in part, the**  
17 **eligible facilities if requested by the city or county affected, or to pay the cost of expenditures**  
18 **relating to the eligible facilities, and on behalf of the state, shall enter into an agreement**  
19 **providing for the payment of the amount so fixed in quarterly payments and shall certify the**  
20 **amount to the State Treasurer.**

21 **(b) If the city or county has two (2) or more issues of bonds outstanding to finance**  
22 **eligible facilities, the amount of state assistance shall be fixed separately for each issue. If the**  
23 **city or county has issued only one (1) issue of bonds or if only one (1) issue remains to be repaid**  
24 **or if the state assistance is for payment of costs of expenditures of eligible facilities, only one (1)**  
25 **amount of state assistance shall be fixed.**

26 **(c) The total amount of state assistance shall be fixed as follows:**

27 **(1) In the case of tourist meeting facilities and tourist entertainment facilities for**  
28 **which the city or county has issued and has outstanding bonds for the purpose of financing, in**  
29 **whole or in part, the eligible facilities, the total amount of state assistance shall be fixed at not**  
30 **less than one-third (1/3) nor more than two-thirds (2/3) of the additional state sales tax**  
31 **revenues and additional state income tax revenues estimated to be generated by the eligible**  
32 **facilities;**

33 **(2) In case the bonds issued to finance the eligible facilities are fully retired or the**  
34 **investments of the city or county of its revenue in the eligible facilities has been repaid with**  
35 **accrued and accruing interest as provided in this subchapter, the total amount of state**

1 assistance shall be fixed at not less than the Net Operating Maintenance Cost as last published  
2 by the National Institute of Real Estate Management Experience Exchange, which was five  
3 dollars (\$5.00) per square foot of facilities per year in 1991, not to exceed two-thirds (2/3) of  
4 the additional state sales tax revenues and additional state income tax revenues estimated to be  
5 generated by the eligible facilities to be calculated in the same manner as calculated prior to  
6 the bonds issued to finance the eligible facilities being fully retired or the investment of the city  
7 or county of its revenues in the eligible facilities being repaid with accrued and accruing  
8 interest as provided by this subchapter.

9 (d) It shall be a condition to any payments under this subchapter that the city or  
10 county has issued and has outstanding, or has paid outstanding, bonds for the purpose of  
11 financing, in whole or in part, the eligible facilities, but this shall not limit the provisions in this  
12 subchapter for repayment of a city or county investment or expenditures, heretofore made, in  
13 eligible facilities.

14 (e) The payments provided for in this subchapter shall be subject to the approval of and  
15 specific appropriation by the General Assembly and shall be for a term of not longer than two  
16 (2) years, but may, subject to the approval of and appropriation by the General Assembly, be  
17 extended from time to time for additional terms of not to exceed two (2) years each."

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19 **SECTION 8. Section 14-171-212(a) of the Arkansas Code of 1987 Annotated is**  
20 **amended to read as follows:**

21 "(a) The Treasurer of State shall monthly, before making the percentage distributions  
22 of general revenues as provided by law, deduct from the General Revenue Fund Account of the  
23 State Apportionment Fund an amount of moneys necessary to meet the quarterly payments to  
24 cities and counties that are parties to an agreement with the state entered into pursuant to  
25 §§14-171-204 - 14-171-210 and shall credit them to the City-County Tourist Facilities Aid  
26 Fund, and shall quarterly pay over the amounts to each city and county or, in the case of tourist  
27 meeting facilities and tourist entertainment facilities for which the bonds issued to finance the  
28 eligible facilities are fully retired or the investment of the city or county of its revenues in the  
29 eligible facilities has been repaid with accrued and accruing interest as provided in this  
30 subchapter, to the Facilities Operating Board of eligible facilities of each city and county,  
31 provided that the General Assembly shall have approved such payments and appropriated  
32 funds for them."

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34 **SECTION 9. Section 14-171-213(a) of the Arkansas Code of 1987 Annotated is**  
35 **amended to read as follows:**

1           **"(a) The State Board of Finance shall certify to the Treasurer of State the amount of**  
2 **assistance to each city or county, or to the Facilities Operating Board of eligible facilities for**  
3 **each city or county, for paying debt service on the bonds issued to finance, in whole or in part,**  
4 **or for the expenditures relating to, the eligible facilities for which the board has, on behalf of**  
5 **the state, entered into an agreement providing for the payment of the amounts so fixed in**  
6 **quarterly payments to each city or county or to the Facilities Operating Board of eligible**  
7 **facilities for each city or county."**

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9           **SECTION 10. Section 14-171-215(d) of the Arkansas Code of 1987 Annotated is**  
10 **amended to read as follows:**

11           **"(d) When the bonds issued to finance the eligible facilities are fully retired or the**  
12 **investment of the city or county of its revenues in the eligible facilities has been repaid with**  
13 **accrued and accruing interest as provided in this subchapter, the city or county may continue**  
14 **to apply to the State Board of Finance for continuing state assistance in paying the costs of**  
15 **expenditures relating to the eligible facilities to be used by the Facilities Operating Board as**  
16 **follows: not less than sixty percent (60%) for capital improvements and maintenance; not**  
17 **more than twenty-five percent (25%) nor less than ten percent (10%) for facility advertising;**  
18 **and not more than fifteen percent (15%) nor less than five percent (5%) for facility event**  
19 **inducement."**

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21           **SECTION 11. All provisions of this act of a general and permanent nature are**  
22 **amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision**  
23 **Commission shall incorporate the same in the Code.**

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25           **SECTION 12. If any provision of this act or the application thereof to any person or**  
26 **circumstance is held invalid, such invalidity shall not affect other provisions or applications of**  
27 **the act which can be given effect without the invalid provision or application, and to this end**  
28 **the provisions of this act are declared to be severable.**

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30           **SECTION 13. All laws and parts of laws in conflict with this act are hereby repealed.**

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32                                   **APPROVED: 2/18/93**  
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