

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

A Bill

ACT 184 OF 1993
HOUSE BILL 1185

4 **By: Representative John Miller**

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 15-5-405 TO INCREASE THE
9 AMOUNT OF QUALIFIED BONDS WHICH MAY BE GUARANTEED UNDER
10 THE SUBCHAPTER; AND FOR OTHER PURPOSES."

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Subtitle

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

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SECTION 1. LEGISLATIVE FINDINGS AND DECLARATION OF PUBLIC NECESSITY.

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The General Assembly hereby finds:

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**(a) That the present limitation on the amount of bond guaranties under the Arkansas
Development Finance Authority Bond Guaranty Act of 1985 preclude the Authority from
making additional loans for economic development which are necessary for the continued
expansion of industry within the state.**

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**(b) That the economic well being of the citizens of the State of Arkansas will be
enhanced by providing additional loans for economic development at the lowest possible
interest cost.**

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**For these reasons, the General Assembly hereby finds that there exists in the state an
immediate and urgent need to provide for authorization to the Authority to guarantee
additional qualified bonds in order to make additional economic development loans to promote
the continued expansion of industry within the state by providing such loans at the lowest
possible interest cost.**

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SECTION 2. Arkansas Code 15-5-405 is amended to read as follows:

1 **"15-5-405. When bonds may be guaranteed.**

2 **Amortization payments on qualified bonds may be guaranteed in instances when:**

3 **(1) The authority deems the utilization of the guaranty is in the best interest of the**
4 **economic development of the State of Arkansas;**

5 **(2) The total amount of qualified bonds guaranteed at any time under this subchapter**
6 **will be the lesser of:**

7 **(A) One hundred and fifty million dollars (\$150,000,000);**

8 **(B) An amount equal to ten (10) times the amount on deposit at that time in the**
9 **Guaranty Reserve Account; or**

10 **(C) The amount of ADEFA guaranteed bonds for which the Guaranty Reserve**
11 **Account is sufficient to pay debt service requirements of all ADEFA guaranteed bonds currently**
12 **outstanding and payable in the current calendar year;**

13 **(3) The developer of the project involved is not permitted to purchase or own at any**
14 **time any of such bonds;**

15 **(4) The developer is found to be financially responsible and that sufficient income may**
16 **reasonably be expected to amortize in an orderly manner amortization payments of the**
17 **qualified bonds; and**

18 **(5) A financial institution participates in the financing necessary to accomplish the**
19 **project; however, the authority may waive this requirement in the exercise of its sound**
20 **discretion, upon a sufficient showing by the developer that such participation cannot be**
21 **obtained, or is not feasible because of justifiable circumstances, and the project involved**
22 **otherwise meets the other conditions of this section and § 15-5-406."**

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24 **SECTION 3. All provisions of this act of a general and permanent nature are**
25 **amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision**
26 **Commission shall incorporate the same in the Code.**

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28 **SECTION 4 . If any provision of this act or the application thereof to any person or**
29 **circumstance is held invalid, such invalidity shall not affect other provisions or applications of**
30 **the act which can be given effect without the invalid provision or application, and to this end**
31 **the provisions of this act are declared to be severable.**

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33 **SECTION 5. All laws and parts of laws in conflict with this act are hereby repealed.**

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35 **SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the**

1 **Seventy-Ninth General Assembly that there is an urgent need to provide for additional**
2 **economic development loans to promote the continued expansion of industry within the state**
3 **by providing loans at the lowest possible interest cost. Therefore, an emergency is hereby**
4 **declared to exist and this act being necessary for the immediate preservation of the public**
5 **peace, health and safety shall be in full force and effect from and after its passage and approval.**

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APPROVED: 2/19/93