

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

A Bill

Act 37 of 1999
HOUSE BILL 1213

5 By: Representative P. Malone
6 By: Senator Beebe
7
8

For An Act To Be Entitled

9
10 "AN ACT TO AMEND VARIOUS SECTIONS OF THE COUNTY AND
11 REGIONAL INDUSTRIAL DEVELOPMENT CORPORATION ACT; TO
12 CHANGE THE TITLE TO THE ' COUNTY AND REGIONAL
13 INDUSTRIAL DEVELOPMENT COMPANY ACT' ; AND FOR OTHER
14 PURPOSES. "

Subtitle

15
16
17 "TO AMEND VARIOUS SECTIONS OF THE COUNTY
18 AND REGIONAL INDUSTRIAL DEVELOPMENT
19 CORPORATION ACT; TO CHANGE THE TITLE TO
20 ' COUNTY AND REGIONAL INDUSTRIAL
21 DEVELOPMENT COMPANY ACT' . "

22
23
24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. Arkansas Code 15-4-1201 is amended to read as follows:
27 "15-4-1201. Title.

28 This subchapter shall be referred to and may be cited as the ' County and
29 Regional Industrial Development ~~Corporation~~ Company Act' . "

30
31 SECTION 2. Arkansas Code 15-4-1202 is amended to read as follows:
32 "15-4-1202. Definitions.

33 As used in this subchapter, unless the context clearly requires
34 otherwise:

35 ~~(1)~~(a) ' Board' means the State Banking Board;

36 ~~(2)~~(b) ' Commissioner' means the Bank Commissioner of the State of

1 Arkansas;

2 ~~(3)(c)~~ 'Corporation Company' means a county or regional industrial
 3 development corporation or limited liability company authorized to be
 4 organized under the provisions of this subchapter;

5 ~~(4)(d)~~ 'Financial institution' means any banking corporation or
 6 institution, trust company, savings bank, savings and loan association,
 7 insurance company, or related corporation, partnership, foundation, or other
 8 institution, engaged in lending or investing funds;

9 (e) 'Impaired' means, for the purposes of § 15-4-1228 that the capital
 10 of the Company has been reduced to fifty thousand dollars (\$50,000) or less;

11 ~~(5)(f)~~ 'Loan limit' means, for any member, the maximum amount permitted
 12 to be outstanding at any one (1) time on loans made by such member to the
 13 ~~corporation Company~~, as determined under § 15-4-1218(b)(3);

14 ~~(6)(g)~~ 'Member' means any financial institution authorized to do
 15 business in the State of Arkansas which ~~shall~~ may undertake to lend money to a
 16 ~~corporation Company~~ upon its call and in accordance with the provisions of §
 17 15-4-1218;

18 ~~(7)(h)~~ 'Person' includes all natural persons and legal entities;

19 ~~(8)(i)~~ 'Region' means any compact area comprised of not less than three
 20 (3) nor more than fifteen (15) ~~or more~~ contiguous counties within the State of
 21 Arkansas;

22 (j) 'Securities Commissioner' means the Securities Commissioner of the
 23 State of Arkansas; and

24 (k) 'Unit of interest' means a participation in the profits interests
 25 of a limited liability company so that the total of all units of interest in a
 26 limited liability company shall equal one hundred percent (100%) of the
 27 profits interests in the limited liability company."

28
 29 SECTION 3. Arkansas Code 15-4-1204 is amended to read as follows:

30 "15-4-1204. Application for preliminary approval.

31 Any five (5) or more qualified natural persons, who shall be bona fide
 32 residents of the same county or region in this state to be served by the
 33 proposed ~~corporation Company~~ and who desire to associate themselves for the
 34 purpose of establishing and operating a ~~corporation Company~~ may subscribe,
 35 acknowledge, and file with the ~~commissioner~~ Commissioner for preliminary
 36 approval proposed articles of incorporation, in the case of a corporation, and

1 articles of organization and operating agreement, in the case of a limited
 2 liability Company, in duplicate, as authorized by § 15-4-1212."

3
 4 SECTION 4. Arkansas Code 15-4-1205 is amended to read as follows:

5 "15-4-1205. Preliminary approval.

6 (a) If the ~~commissioner~~ Commissioner be satisfied that the applicants
 7 are bona fide residents of the county or region to be served by the proposed
 8 ~~corporation~~ Company, that the applicants have the confidence of their
 9 respective communities, that, in the case of a regional ~~corporation~~ Company,
 10 the proposed region constitutes a reasonably compact area with similar
 11 economic development needs, that public convenience and necessity require a
 12 ~~corporation~~ Company, and that the proposed articles of incorporation or
 13 articles of organization and operating agreement conform to the provisions of
 14 § 15-4-1211, the ~~commissioner~~ Commissioner shall issue his certificate
 15 approving the articles of incorporation or articles of organization and
 16 operating agreement and authorizing the applicants to proceed with the
 17 organization of the ~~corporation~~ Company.

18 (b) The ~~commissioner~~ Commissioner shall not refuse a certificate to a
 19 regional ~~corporation~~ Company solely because one (1) or more county
 20 ~~corporations~~ Companies have been approved for the counties comprising the
 21 region. Provided, however, only one (1) county industrial development
 22 ~~corporation~~ Company may be organized to serve in each individual county."

23
 24 SECTION 5. Arkansas Code 15-4-1206 is amended to read as follows:

25 "15-4-1206. Organization.

26 Upon receipt of such certificate of preliminary approval, the applicants
 27 may proceed to complete the organization of the ~~corporation~~ Company, to obtain
 28 subscriptions for and payment of its stock or limited liability units of
 29 interest, and to do all other things necessarily incidental to its transacting
 30 business."

31
 32 SECTION 6. Arkansas Code 15-4-1207 is amended to read as follows:

33 "15-4-1207. Liability of directors, ~~and~~ officers, managers and members.

34 The directors and officers of a corporation organized under the
 35 provisions of this subchapter and the managers and members of a limited
 36 liability company organized under the provisions of this subchapter shall not

1 be responsible for losses of assets of the ~~corporation~~ Company unless the
 2 losses shall have been occasioned by the willful misconduct of such directors,
 3 ~~or officers, managers or members.~~ "

4
 5 SECTION 7. Arkansas Code 15-4-1208 is amended to read as follows:

6 "15-4-1208. Certificate of organization.

7 (a) When the applicants shall have completed the organization of the
 8 proposed ~~corporation~~ Company, they shall file with the ~~commissioner~~
 9 Commissioner a certificate of organization executed by the ~~president of the~~
 10 ~~corporation~~ chief executive officer of the Company, attested by its ~~secretary~~
 11 chief financial officer, and with its seal affixed thereto, certifying:

12 (1) The names and addresses of all of its subscribers of stock or
 13 units of interest of a limited liability company, the number of shares
 14 subscribed or the amount of units of interest subscribed in the case of a
 15 limited liability company, and the number of shares fully paid for by each in
 16 the case of a corporation or the amount of units of interest fully paid for by
 17 each in the case of a limited liability company;

18 (2) The total number of shares of stock or units of interest of a
 19 limited liability company subscribed, but not fully paid for;

20 (3) The total number of shares of stock or units of interest paid
 21 in full;

22 (4) The name and address of the depository, or the names and
 23 addresses of the depositories, if more than one (1), holding on deposit the
 24 funds of the ~~corporation~~ Company;

25 (5) The names and addresses of the officers, directors, and
 26 members of the executive committee, if any, of ~~the~~ a corporation and the names
 27 and addresses of the managers and members of the management committee of a
 28 limited liability company.

29 (b) The said certificate of organization of applicant shall be
 30 accompanied by the certificate of the named depository, or by the certificates
 31 of the named depositories, if more than one (1), certifying the amount of the
 32 funds on deposit to the credit of the ~~corporation~~ Company.

33 (c) The said certificate of organization shall be accompanied, also, by
 34 any bylaws or by any regulations which may have been adopted by the directors
 35 of ~~the~~ a corporation or the operating agreement of a limited liability
 36 company. "

SECTION 8. Arkansas Code 15-4-1209 is amended to read as follows:

"15-4-1209. Final investigation and approval by the board.

(a) Immediately upon the filing of the certificate of organization by the applicants, the ~~commissioner~~ Commissioner shall submit to the ~~board~~ Board the proposed articles of incorporation, articles of organization and operating agreement, as appropriate, and the certificate of organization of the applicants. As soon as practicable thereafter, if the ~~board~~ Board shall, from the best sources of information at its command, determine that:

(1) Public convenience and necessity continue to require the ~~corporation~~ Company;

(2) The holders of the fully paid common stock of a corporation or units of interest of a limited liability company of the ~~corporation~~ Company are at least twenty (20) in number;

(3) Not less than one hundred thousand dollars (\$100,000) of common stock or units of interest ~~has~~ have been subscribed and fully paid for;

(4) No single stockholder nor related group of stockholders owns more than ten percent (10%) of the voting stock in the case of a corporation or no single member nor related group of members owns more than ten percent (10%) of the units of interest in the case of a limited liability company;

(5) The bylaws ~~or regulations~~ submitted, if any, or the operating agreement are in conformity with the articles of incorporation or articles of organization and the provisions of this subchapter, and not contrary to the laws of the state, and are otherwise satisfactory; it shall direct the ~~commissioner~~ Commissioner to issue to the applicants a certificate of incorporation or certificate of organization in such form as it may prescribe.

(b)(1) The ~~commissioner~~ Commissioner shall also return to the applicants one (1) of the copies of articles of incorporation or articles of organization theretofore submitted to the ~~commissioner~~ Commissioner by the applicants, upon which copy he shall have endorsed the fact of the issuance by him of such certificate of incorporation or certificate of organization.

(2) If bylaws, ~~or~~ regulations or the operating agreement are submitted and are found satisfactory by the ~~board~~ Board, the ~~commissioner~~ Commissioner shall also issue his certificate of approval thereof."

SECTION 9. Arkansas Code 15-4-1210 is amended to read as follows:

1 "15-4-1210. Commencement and continuation of ~~corporate~~ existence.

2 (a) Upon the issuance of the certificate of incorporation or
 3 certificate of organization by the ~~commissioner~~ Commissioner, the ~~corporate~~
 4 existence of the ~~corporation~~ Company shall begin.

5 (b) The certificate of incorporation or certificate of organization
 6 shall be conclusive evidence, except as against the state, that all conditions
 7 precedent required to be performed by the applicants have been complied with,
 8 and that the ~~corporation~~ Company has been ~~incorporated~~ organized under this
 9 subchapter.

10 (c) A copy of the articles of incorporation or articles of organization
 11 so endorsed by the ~~commissioner~~ Commissioner, as prescribed in § 15-4-1209,
 12 shall be filed for recordation in the office of the county clerk in the county
 13 in which the principal office of the ~~corporation~~ Company is located and a copy
 14 shall be delivered to the director of the Department of Finance and
 15 Administration.

16 (d) The Company shall pay to the Commissioner in semi-annual billings
 17 four hundred dollars (\$400) per year to establish and continue its existence
 18 and good standing under this subchapter."

19
 20 SECTION 10. Arkansas Code 15-4-1211 is amended to read as follows:

21 "15-4-1211. Articles of incorporation or articles of organization.

22 The articles of incorporation for any corporation or the articles of
 23 organization of any limited liability company organized under the provisions
 24 of this subchapter shall state:

25 ~~(1)~~(a) The name of the ~~corporation~~ Company, which shall include the
 26 words 'County Industrial Development ~~Corporation~~ Company' if the proposed
 27 ~~corporation~~ Company is to serve a single county, or 'Regional Industrial
 28 Development ~~Corporation~~ Company' if the proposed ~~corporation~~ Company is to
 29 serve a region larger than a single county, and such designation as may be
 30 appropriate to distinguish it from any subsequent ~~corporation~~ Company which
 31 may be organized under the provisions of this subchapter, and the name shall
 32 be such as to distinguish it from any other corporation, limited liability
 33 company, limited partnership, limited liability partnership and limited
 34 liability limited partnership organized and existing under the laws of the
 35 State of Arkansas as evidenced by the Arkansas Secretary of State in writing;

36 ~~(2)~~(b) The purpose for which the ~~corporation~~ Company is formed;

1 ~~(3)(c)~~ The period of duration of the ~~corporation~~ Company, which for a
 2 corporation may be perpetual or limited but which for a limited liability
 3 company must be for a stated term;

4 ~~(4)(d)~~ The address of its principal office and the name and address of
 5 its agent upon whom process may be served;

6 ~~(5)(e)~~ The total number of shares of common stock which the corporation
 7 is authorized to issue, which number shall be not less than one hundred (100)
 8 shares of common stock, having a par value of one hundred (\$100) dollars each
 9 in the case of a corporation or the total units of interest in the limited
 10 liability company that the limited liability company is authorized to issue,
 11 which number shall not be less than one hundred (100) units of interest,
 12 having a stated value of one hundred dollars (\$100) each;

13 ~~(6)(f)~~ The total number of shares of stock of any other class or
 14 distinction which ~~the~~ a corporation is authorized to issue and the par value,
 15 if any, thereof in the case of a corporation or the total number of units of
 16 other interests in a limited liability company that a limited liability
 17 company is authorized to issue and the stated value and preferences or
 18 limitations, if any, thereof;

19 ~~(7)(g)~~ A provision stating that no stockholder ~~shall be entitled as of~~
 20 ~~right to purchase or subscribe for any unissued or treasury stock of the~~
 21 ~~corporation, whether now or hereafter authorized, or whether of a class now~~
 22 ~~existing or of a class hereafter created, and no stockholder shall be entitled~~
 23 ~~as of right to purchase or subscribe for any bonds, notes, or other~~
 24 ~~obligations convertible into stock of the corporation~~ or member shall have
 25 preemptive rights with respect to any additional equity issued by the Company
 26 or with respect to any debt issued by the Company;

27 ~~(8)(h)~~ A provision stating that no stockholder shall be entitled to own
 28 more than ten percent (10%) of the total number of shares of voting stock
 29 issued at any time or that no member shall be entitled to own more than ten
 30 percent (10%) of the total units of interest of a limited liability company
 31 issued at any time;

32 ~~(9)(i)~~ ~~The~~ In the case of a corporation, the number of directors, not
 33 less than six (6) nor more than fifteen (15), to be elected at the annual
 34 meeting of the holders of stock entitled to vote for the election of
 35 directors, the requirement, in the case of a regional corporation, that at
 36 least one (1) director shall be a resident of each county comprising the

1 region and a prohibition of more than one-third (1/3) of the directors being
2 residents of any single county, the terms of office of the directors and any
3 provisions desirable for staggering their terms of office, except that the
4 terms of office of directors and other matters pertaining to the directors may
5 be provided in the bylaws of the corporation;

6 (j) In the case of a limited liability company, the number of members
7 of the management committee, not less than six (6) nor more than fifteen (15)
8 to be elected at the annual meeting of the members of the limited liability
9 company entitled to vote for the election of the members of the management
10 committee, the requirement, in the case of a regional limited liability
11 company, that at least one (1) member of the management committee shall be a
12 resident of each county comprising the region and a prohibition of more than
13 one-third (1/3) of the members of the management committee being residents of
14 any single county, the terms of office of the members of the management
15 committee and any provisions desirable for staggering their terms of office,
16 except that the terms of office of members of the management committee and
17 other matters pertaining to the members of the management committee may be
18 provided in the operating agreement of the limited liability company;

19 ~~(10)~~ (k) The names and addresses of the incorporators or organizers,
20 who shall constitute the board of directors or the management committee and
21 manage the affairs of the corporation Company until the first meeting of the
22 holders of the common stock or until the first meeting of the members of the
23 limited liability company;

24 (l) In the case of a limited liability company, such entity shall be a
25 manager managed limited liability company and shall be governed by a
26 management committee elected by the holders of units of interest of the
27 limited liability company. The management committee shall appoint a chief
28 operating officer, a chief financial officer and such other officers as it
29 deems appropriate;

30 (m) In the case of a corporation, the shares of the corporation shall
31 be issued at such prices and with such rights and preferences as stated in the
32 articles of incorporation, bylaws and as stated by the board of directors. In
33 the case of a limited liability company, the ownership of the limited
34 liability company shall be represented by units of interest that shall be
35 issued at such prices and with such rights and preferences as stated in the
36 articles of organization, operating agreement or stated by the management

1 committee of the limited liability company. Stock and units of interest may
 2 be issued for consideration consisting of money paid, labor done, or property
 3 actually received but neither promissory notes nor the promise of future
 4 services shall constitute valid consideration. In all cases, shares or units
 5 of interest shall be issued at not less than the par value of one hundred
 6 dollars (\$100) per share or the stated value of one hundred dollars (\$100) per
 7 unit of interest; and

8 ~~(11)~~ (n) Any provisions, not inconsistent with law, which the
 9 incorporators or organizers may choose to insert, for the regulation of the
 10 business and the conduct of the affairs of the ~~corporation~~ Company. It shall
 11 not be necessary to set forth in the articles of incorporation or the articles
 12 of organization or the operating agreement any of the ~~corporation~~ Company
 13 powers enumerated in this subchapter.”

14
 15 SECTION 11. Arkansas Code 15-4-1212 is amended to read as follows:

16 “15-4-1212. Amendment to articles of incorporation or articles of
 17 organization.

18 (a) A ~~corporation~~ Company organized under the provisions of this
 19 subchapter may amend its articles of incorporation or its articles of
 20 organization by a majority vote of the common stock, in the case of a
 21 corporation, or by a majority vote of the units of interest of a limited
 22 liability company represented in person or by proxy at any regular meeting, or
 23 at any special meeting of the holders of the common stock or members of the
 24 limited liability company called for that purpose.

25 (b) The power to amend shall include the power to accomplish any
 26 desired change in the provisions of the articles of incorporation or articles
 27 of organization and to include any purpose, power, or provision authorized to
 28 be included in the original articles of incorporation or articles of
 29 organization or by later amendment to this subchapter.

30 (c) Articles of amendment signed by the ~~president or a vice-president~~
 31 chief executive officer and attested by the secretary or an assistant
 32 secretary or another manager, certifying to such amendment and its lawful
 33 adoption, shall be executed, acknowledged, and filed with the ~~commissioner~~
 34 Commissioner and, when approved by the ~~board~~ Board, recorded with the
 35 certificate of the ~~commissioner~~ Commissioner approving the articles of
 36 amendment, in the same manner as the original articles of incorporation or

1 articles of organization; and as soon as the ~~commissioner~~ Commissioner shall
 2 issue his certificate of amendment, the amendment or amendments shall be in
 3 effect."

4
 5 SECTION 12. Arkansas Code 15-4-1213 is amended to read as follows:

6 "15-4-1213. Management of ~~corporation~~ Company.

7 (a) Only the holders of common stock, through the board of directors,
 8 shall manage the affairs of ~~the a~~ corporation. Only holders of units of
 9 interest in a limited liability company shall manage the affairs of a limited
 10 liability company. Each holder of common stock or each holder of a unit of
 11 interest in the limited liability company shall be entitled to one (1) vote,
 12 in person or by proxy, for each share of common stock or each unit of interest
 13 held by him and, in voting for the directors or management committee of the
 14 ~~corporation~~ Company, shall be entitled to exercise the right of cumulative
 15 voting.

16 (b) In the event of the transfer of shares of common stock or units of
 17 interest, whether by act of the holder, or by operation of law, the name or
 18 names of the proposed transferees shall be submitted to the directors of the
 19 corporation or the management committee of the limited liability company, and
 20 the directors or management committee may refuse to approve the transfer, in
 21 which event the ~~corporation~~ Company shall have the option to purchase the
 22 shares of common stock or units of interest at par or stated value. Shares of
 23 common stock or units of interest so purchased shall be cancelled, and shares
 24 or units in lieu thereof may be reissued and sold by the ~~corporation~~ Company.
 25 In the event that the directors or management committee do not purchase the
 26 shares of common stock or units of interest subject to transfer, the shares of
 27 common stock or units of interest then may be transferred without the approval
 28 of the directors or management committee."

29
 30 SECTION 13. Arkansas Code 15-4-1214 is amended to read as follows:

31 "15-4-1214. Powers of the ~~corporation~~ Company.

32 (a) The purposes of each ~~corporation~~ Company organized under the
 33 provisions of this subchapter shall be:

34 (1)(A) To promote, stimulate, develop, and advance the business
 35 prosperity and economic welfare ~~of~~ within the county or region wherein it is
 36 located and its citizens;

1 (B) To encourage and assist through loans, investments, or
 2 other business transactions in the location of new business and industry ~~in~~
 3 within that county or region, and to assist the growth and expansion of
 4 existing business and industry; and so

5 (C) To stimulate and assist in the expansion of all kinds
 6 of business activity which will tend to promote the business development and
 7 maintain the economic stability of the county or region, provide maximum
 8 opportunities for employment, encourage thrift, and improve the standard of
 9 living of the citizens ~~of~~ within that county or region; and similarly

10 (2) To cooperate and act in conjunction with other organizations,
 11 public or private, in the promotion and advancement of industrial,
 12 technological, scientific, commercial, agricultural, and recreational
 13 development ~~in~~ within that county or region; and

14 (3) To provide venture financing for the promotion, development,
 15 and conduct of all kinds of business activity ~~in~~ within that county or region
 16 on terms and conditions that would not otherwise be available from existing
 17 financial institutions.

18 (b) In furtherance of such purposes, each ~~corporation~~ Company organized
 19 under this subchapter shall have power:

20 (1) To sue and be sued, complain and defend, in its corporate or
 21 limited liability company name;

22 (2) To have perpetual succession, in the case of corporations,
 23 unless a limited period of duration is stated in its articles of
 24 incorporation;

25 (3) To adopt a ~~corporate~~ Company seal, which may be altered at
 26 pleasure, and to use it, or a facsimile thereof, as permitted by law;

27 (4) Within the limitations hereinafter imposed, and in the manner
 28 hereinafter prescribed, to borrow money and otherwise contract indebtedness,
 29 to issue its bonds, notes, debentures, or other obligations therefor with or
 30 without security, and, if with security, to secure the payment thereof by
 31 mortgage, pledge, or deed of trust, on all or any part of its property,
 32 assets, revenues, or income;

33 (5) To purchase, receive, lease as lessee, or in any other manner
 34 acquire, own, hold, maintain, sell, exchange, and use any and all real and
 35 personal property, or any interest therein;

36 (6) To sell and convey, mortgage, pledge, lease as lessor, and

1 otherwise dispose of all or any part of its property or assets;

2 (7) To make loans to any qualifying person within its county or
 3 region and to establish and regulate the terms and conditions with respect to
 4 any such loans and the charges for interest and service connected therewith,
 5 consistent with the provisions of this subchapter;

6 (8) To purchase, hold, sell, assign, transfer, mortgage, pledge,
 7 or otherwise to dispose of bonds, securities, or evidences of indebtedness
 8 created by any other corporation or corporations of this state, or any other
 9 state or government, or created by any individual, unincorporated association,
 10 limited liability company, limited partnership, general partnership, limited
 11 liability partnership, limited liability limited partnership, trust estate,
 12 improvement district, municipal, or governmental or municipal agency of any
 13 character;

14 (9) To purchase, hold, sell, assign, transfer, mortgage, pledge,
 15 or otherwise dispose of the shares of the capital stock of any other
 16 corporation or corporations of this or any other state or government, subject
 17 to such restrictions and limitations, if any, as may be imposed by the laws of
 18 this or any other state in which the corporation may do business; and, while
 19 owner of such stock, to exercise all the rights, powers, and privileges of
 20 ownership, including the right to vote thereon;

21 (10) To purchase, hold, sell, assign, transfer, mortgage, pledge,
 22 or otherwise dispose of the units of interest of limited liability companies,
 23 partnerships, joint ventures, or other business entities of this or any other
 24 state or government, subject to such restrictions and limitations, if any, as
 25 may be imposed by the laws of this or any other state in which the business
 26 entity may do business; and, while owner of such units of interest, to
 27 exercise all the rights, powers, and privileges of ownership, including the
 28 right to vote thereon;

29 ~~(10)~~(11) To make any and all contracts necessary or convenient
 30 for the exercise of the powers granted in this subchapter;

31 ~~(11)~~(12) To elect or appoint officers, agents, and employees of
 32 the ~~corporation~~Company and to define their duties and fix their compensation;

33 ~~(12)~~(13) To conduct its business and to have officers within or
 34 without the state;

35 ~~(13)~~(14) To accept gifts or grants of money, service, or
 36 property, real or personal;

1 ~~(14)~~(15) With the approval of the board of directors or
 2 management committee, by action of ~~the directors of the corporation~~ such
 3 persons, to make and alter bylaws and regulations, not inconsistent with the
 4 articles of incorporation or the articles of organization and operating
 5 agreement, or with the laws of this state, for the administration and
 6 regulation of the affairs of the ~~corporation~~ Company;

7 ~~(15)~~(16) To encourage and promote the cultural, industrial,
 8 technological, scientific, economic, and recreational development of the
 9 county or region wherein it is located;

10 ~~(16)~~(17) To assist minority businesses in obtaining loans or
 11 other means of financial assistance. The terms and conditions of such loans
 12 or financial assistance, including the charges for interest and other
 13 services, will be consistent with the provisions of this subchapter. ~~In order~~
 14 ~~to comply with this requirement, efforts~~ Efforts must be made to solicit for
 15 review and analysis proposed minority business ventures. Be it further
 16 provided, that basic loan underwriting standards will not be changed to
 17 inconsistently favor or disfavor minority persons or businesses, or both, from
 18 the intent of the ~~corporation's~~ Company's lending practices;

19 ~~(17)~~(18) To do and perform any and all acts and things, and to
 20 have and exercise any and all powers as may be necessary, convenient, or
 21 appropriate to effectuate the purpose for which the ~~corporation~~ Company is
 22 organized."

23
 24 SECTION 14. Arkansas Code 15-4-1215 is amended to read as follows:

25 "15-4-1215. Dividends and distributions.

26 (a) The directors of ~~the~~ a corporation, subject to such limitations as
 27 may be set forth in the articles of incorporation or bylaws thereof, may
 28 declare dividends to the holders of its stock and make partial distribution of
 29 its capital surplus pursuant to the provisions of the Arkansas Business
 30 Corporation Act of 1987, beginning at § 4-27-101. ~~et seq.~~

31 (b) The management committee of a limited liability company, subject to
 32 such limitations as may be set forth in the articles of organization or
 33 operating agreement, may declare distributions to the holders of the units of
 34 interest in the limited liability company consistent with the provisions of
 35 the Small Business Entity Tax Pass Through Act, beginning at § 4-32-101."

1 SECTION 15. Arkansas Code 15-4-1216 is amended to read as follows:

2 "15-4-1216. Bonds and notes of the ~~corporation~~ Company.

3 (a) Any ~~corporation~~ Company organized under the provisions of this
4 subchapter may, from time to time as the conduct of its business requires,
5 issue and sell at such price and on such terms as the board of directors or
6 management committee shall determine, its bonds and notes not to exceed, in a
7 total aggregate amount outstanding at any one (1) time, ten (10) times the
8 total amount of its fully paid common stock or units of interest, its fully
9 paid issued and outstanding preferred stock, if any, and the amount of its
10 earned surplus in excess of a reserve set aside therefrom equal in amount to
11 five percent (5%) of the aggregate total amount of loans of the ~~corporation~~
12 Company outstanding at any one (1) time; provided, however, that the validity
13 of the bonds and notes of the ~~corporation~~ Company valued at the time of the
14 issuance and delivery shall not thereafter be affected if in excess of such
15 ratio.

16 (b) The bonds and notes of the ~~corporation~~ Company shall be in such
17 form and denominations, shall have such dates and maturities; shall bear
18 interest payable at such times and places within or without the state; shall
19 contain such provisions as to registration of ownership, if registration is
20 deemed desirable, all as the directors of ~~the a~~ a corporation or management
21 committee of a limited liability company shall determine in conformity with
22 the provisions of this subchapter, and shall be executed by the ~~president and~~
23 ~~secretary~~ chief executive officer and chief financial officer of the
24 ~~corporation~~ Company, and be sealed with the ~~corporate~~ Company seal. In the
25 event any of the officers whose signatures appear on any such obligation shall
26 cease to be such officers before the delivery thereof, such signatures shall,
27 nevertheless, be valid and sufficient for all purposes, the same as if they
28 had remained in office until such delivery.

29 (c) All bonds and notes of a ~~corporation~~ Company issued under the
30 provisions of this subchapter shall, unless otherwise limited by the express
31 provisions thereof, irrespective of the date of issue, be on a parity as to
32 security and shall be secured by a lien on the entire assets of the
33 ~~corporation~~ Company, which said lien shall be a first lien and superior to all
34 other debts and to all other encumbrances, of whatsoever nature, on all of the
35 assets of the ~~corporation~~ Company.

36 (d) The earned surplus of ~~the a~~ a corporation, in whole or in part, in

1 the discretion of the directors of the corporation, may be invested as
 2 provided in the bylaws of the corporation, and retained in reserve to meet
 3 losses and contingencies of the corporation.

4 (e) The undistributed earnings of a limited liability company, in whole
 5 or in part, in the discretion of the management committee of a limited
 6 liability company, may be invested as provided in the operating agreement of
 7 the limited liability company, and retained in reserves to meet losses and
 8 contingencies of the limited liability company."

9
 10 SECTION 16. Arkansas Code 15-4-1217 is amended to read as follows:

11 "15-4-1217. Authority of other corporations and financial institutions.

12 Notwithstanding any rule at common law or any provision of law or any
 13 provision in their respective articles of incorporation:

14 ~~(1)(a)~~ All domestic corporations, including nonprofit corporations and
 15 associations, organized for the purpose of carrying on business within this
 16 state, including, without implied limitation, any public utility, and all
 17 trusts, are hereby authorized to acquire, purchase, hold, sell, assign,
 18 transfer, mortgage, pledge, or otherwise dispose of any bonds, notes,
 19 securities, or other evidences of indebtedness created by, or the shares of
 20 the common stock or units of interest of, a ~~corporation~~ Company organized
 21 under this subchapter, and while owners of said stock or units of interest to
 22 exercise all the rights, powers, and privileges of ownership, including the
 23 right to vote thereon, all without the approval of any regulatory authority of
 24 the state;

25 ~~(2)(b)~~ All financial institutions are hereby authorized to become
 26 members of the ~~corporation~~ Company and to make loans to the ~~corporation~~
 27 Company as provided herein;

28 ~~(3)(c)~~ A financial institution which does not become a member of the
 29 ~~corporation~~ Company shall not be permitted to acquire any shares of the common
 30 stock or units of interest of the ~~corporation~~ Company; and

31 ~~(4)(d)~~ Each financial institution which becomes a member of the
 32 ~~corporation~~ Company is hereby authorized to acquire, purchase, hold, sell,
 33 assign, transfer, mortgage, pledge, or otherwise dispose of, any bonds, notes,
 34 securities, or other evidences of indebtedness created by, or the shares of
 35 the common stock or the units of interest of, the ~~corporation~~ Company and,
 36 while owners of said stock or units of interest, to exercise all the rights,

1 powers, and privileges of ownership, including the right to vote thereon, all
 2 without the approval of any regulatory authority of the state; provided, that
 3 the amount of the common stock of ~~the a~~ corporation or units of interest of a
 4 limited liability company which may be acquired by any member pursuant to the
 5 authority granted herein shall not exceed ten percent (10%) of the loan limit
 6 of each member. The common stock or units of interest of a ~~corporation~~
 7 Company organized under this subchapter which any member is authorized to
 8 acquire pursuant to the authority granted herein is in addition to the amount
 9 of common stock in corporations or units of interest in other business
 10 entities which such member may otherwise be authorized to acquire.”

11
 12 SECTION 17. Arkansas Code 15-4-1218 is amended to read as follows:

13 “15-4-1218. Member financial institutions; loan limits.

14 (a) Any financial institution may request membership in ~~a corporation~~
 15 the Company by making application to the board of directors or management
 16 committee on such form and in such manner as said board of directors or
 17 management committee may require, and membership shall become effective upon
 18 acceptance of such application by the board of directors or management
 19 committee.

20 (b) Each member of the ~~corporation~~ Company may make loans to the
 21 ~~corporation~~ Company as and when called upon by it to do so on such terms and
 22 other conditions as shall be approved from time to time by the board of
 23 directors or management committee, subject to the following conditions:

24 (1) All loan limits shall be established at the thousand-dollar
 25 amount nearest to the amount computed in accordance with the provisions of
 26 this section;

27 (2) No loan to a ~~corporation~~ Company organized under this
 28 subchapter shall be made by members pursuant to call made by the ~~corporation~~
 29 Company if immediately thereafter the total amount of such loans will exceed
 30 ten (10) times the amount then paid in on the outstanding stock or units of
 31 interest of the ~~corporation~~ Company, plus ten (10) times the earned surplus of
 32 ~~the a~~ corporation less reserves or ten (10) times the undistributed earnings
 33 of a limited liability company less reserves;

34 (3) The total amount outstanding on loans to a ~~corporation~~
 35 Company made by any member at any one (1) time, when added to the amount of
 36 the investment in the capital stock or units of interest of the ~~corporation~~

1 Company then held by such member, shall not exceed the limitation on loans
 2 established by law or regulation applicable to the member or, in the absence
 3 of any such limitation, the amount approved by the board of directors or
 4 management committee for such member;

5 (4) Each call made by the ~~corporation~~ Company ~~shall~~ may be
 6 prorated among members of a ~~corporation~~ Company in substantially the same
 7 proportion that the adjusted loan limit of each member bears to the aggregate
 8 of the adjusted loan limits of all members. The adjusted loan limit of a
 9 member shall be the amount of such member's loan limit, reduced by the balance
 10 of outstanding loans made by such member to the ~~corporation~~ Company and the
 11 investment in capital stock of ~~the a~~ a corporation or units of interest in a
 12 limited liability company held by such member at the time of such call, and
 13 further reduced, in the case of a member which has assumed the obligation of a
 14 financial institution withdrawn from membership pursuant to § 15-4-1219(a)(2),
 15 by the balance of outstanding loans made to the ~~corporation~~ Company by such
 16 financial institution; and

17 (5) All loans to a ~~corporation~~ Company by members shall be
 18 evidenced by bonds, debentures, notes, or other evidence of indebtedness of
 19 the ~~corporation~~ Company, which shall be freely transferable at all times, and
 20 which shall bear interest at a rate which may be adjusted from time to time in
 21 a manner determined by the board of directors or management committee, which
 22 rate shall not be less than one-quarter of one percent (0.25%) in excess of
 23 the prime or base rate of interest prevailing at the time of such adjustment
 24 for commercial banks in the City of Little Rock on unsecured commercial
 25 loans."

26
 27 SECTION 18. Arkansas Code 15-4-1219 is amended to read as follows:
 28 "15-4-1219. Withdrawal of members.

29 (a) Membership in a ~~corporation~~ Company shall be for an indeterminate
 30 period not to exceed the termination date of the Company stated in its
 31 articles of incorporation or articles of organization; provided, that:

32 (1) Upon written notice given to a ~~corporation~~ Company five (5)
 33 years in advance, a member may withdraw from membership in the ~~corporation~~
 34 Company at the expiration date of such notice; or

35 (2) In the event that a member, herein called a 'constituent
 36 member', shall consolidate with, merge into, or sell all or substantially all

1 of its property and assets to, another financial institution, herein called
 2 the 'continuing institution', the board of directors or management committee
 3 may, in such manner as it determines, permit the withdrawal of the constituent
 4 member from membership in the ~~corporation~~ Company if the continuing
 5 institution at the time of such withdrawal is a member and has assumed ~~the~~ any
 6 obligation of the constituent member to make loans to the ~~corporation~~ Company.
 7 If such continuing institution is not a member prior to such consolidation,
 8 merger, or sale, such assumed obligation shall be discharged at the time such
 9 continuing institution becomes a member.

10 (b) A member shall not be obligated to make any loans to the
 11 ~~corporation~~ Company pursuant to calls made ~~subsequent to either before or~~
 12 after the withdrawal of said ~~corporation~~ member."

13
 14 SECTION 19. Arkansas Code 15-4-1220 is amended to read as follows:

15 "15-4-1220. Exemption for securities.

16 (a) The stock, units of interest, notes, debentures, bonds, and all
 17 other securities or obligations issued by any ~~corporation~~ Company organized
 18 and existing under the provisions of this subchapter shall be exempt from the
 19 provisions of the Arkansas Securities Act, beginning at § 23-42-101, et seq.
 20 Provided, however, that any ~~corporation~~ Company organized and existing under
 21 the provisions of this subchapter shall not be exempt from the antifraud
 22 provisions of the Arkansas Securities Act, § 23-42-507, the criminal
 23 provisions for violation of such provisions found in § 23-42-104(a), and the
 24 civil remedies available for violation of such provisions found in § 23-42-
 25 106.

26 (b) Notwithstanding the provisions of subsection (a) of this section,
 27 no Company may offer its stock, units of interest, notes, debentures, bonds,
 28 or other securities or obligations without filing a notice with the Securities
 29 Commissioner before the first offer of the securities to be sold. The filing
 30 shall state the terms of the offer and how the Company intends to comply with
 31 the antifraud provisions of the Arkansas Securities Act and be accompanied
 32 with copies of any sales materials the Company will use in the offer of the
 33 securities. The filing shall be effective upon deposit with the Securities
 34 Commissioner. This filing requirement shall be applicable to the initial
 35 capitalization of the Company and any subsequent offer of stock, units of
 36 interest, notes, debentures, bonds or other securities or obligations or

1 series thereof.

2 (c) Failure of a Company to make the filing required by subsection (b)
 3 of this section shall be a basis for imposition of all remedies available to
 4 the Securities Commissioner for the offer and sale of unregistered and non-
 5 exempt securities under the Arkansas Securities Act."

6
 7 SECTION 20. Arkansas Code 15-4-1221 is amended to read as follows:

8 "15-4-1221. Obligations as negotiable instruments.

9 All bonds, notes, debentures, and other obligations of a ~~corporation~~
 10 Company authorized under and issued in compliance with the provisions of this
 11 subchapter shall be, and shall have, and are hereby declared to have, all the
 12 qualities and incidents of negotiable instruments under the negotiable
 13 instruments law of the state."

14
 15 SECTION 21. Arkansas Code 15-4-1222 is amended to read as follows:

16 "15-4-1222. Eligibility for certain investments.

17 Any city or town in this state, or any board, commission, or other
 18 authority duly established by ordinance of any such city or town, or the
 19 boards of trustees, respectively, of the firemen's relief and pension fund and
 20 the policemen's pension and relief fund of any such city or town, may invest
 21 any of its funds not immediately needed for its purposes in the bonds and
 22 notes of any ~~corporation~~ Company organized under the provisions of this
 23 subchapter."

24
 25 SECTION 22. Arkansas Code 15-4-1223 is amended to read as follows:

26 "15-4-1223. Exemption from certain taxes.

27 (a) County or regional industrial development ~~corporations~~ companies
 28 shall be exempt from taxation under the Income Tax Act of 1929, beginning at §
 29 26-51-101 et seq., and from the payment of any other income taxes levied by a
 30 county or a municipality. Dividends on stock or distributions with respect to
 31 units of interest of any such ~~corporation~~ Company pursuant to § 15-4-1215
 32 shall be exempt from all state, county, or municipal income tax. Interest on
 33 bonds, notes, or other obligations of any such ~~corporation~~ Company issued
 34 under and in accordance with the provisions of this subchapter shall be exempt
 35 from all state, county, or municipal income taxes.

36 (b) Corporations and limited liability companies shall file income tax

1 returns each year at the time provided for the filing of corporate or
 2 partnership income tax returns, respectively.

3 (c) A ~~corporation~~ Company claiming exemption from income tax under this
 4 section shall attach to the return required in subsection (b) of this section
 5 a certification from the ~~Bank Commissioner of the State of Arkansas~~ stating
 6 that the ~~corporation~~ Company has been incorporated or organized and is
 7 operating as a corporation or limited liability company in accordance with the
 8 provisions of this subchapter."

9
 10 SECTION 23. Arkansas Code 15-4-1224 is amended to read as follows:

11 "15-4-1224. ~~Income tax~~ Tax credit.

12 (a)(1) The original purchaser of common stock of a corporation or a
 13 unit of interest of a limited liability company shall be entitled to a credit
 14 against any Arkansas income tax liability or premium tax liability which may
 15 be imposed on such purchaser for any tax year commencing on or after January
 16 1, ~~1991~~1999, for common stock purchased from ~~the a~~ a corporation or units of
 17 interest of a limited liability company and retained during any of the
 18 calendar years ~~1991-1999~~1999-2003, ~~to coincide with State Capitol Corporation.~~
 19 The credit shall be determined in the following manner:

20 (A) The credit is ~~limited to~~ not equal to ~~exceed~~
 21 thirty-three and one-third percent (~~33%~~33 1/3%) of the actual purchase price
 22 paid for the stock ~~to the~~ of a corporation to the corporation or units of
 23 interest of a limited liability company to the limited liability company,
 24 which shall include any fees or commissions to underwriters or sales agents
 25 paid by the ~~corporation~~ Company; provided, however, that the total amount of
 26 fees and commissions to underwriters or sales agents for which a credit may be
 27 taken shall not exceed fifteen percent (15%) of the actual purchase price.
 28 Any fees or commissions in excess of fifteen percent (15%) of the total
 29 purchase price shall not be considered in calculating the amount of the credit
 30 determined hereunder. If any shares or units of interest, once purchased from
 31 the ~~corporation~~ Company, are then sold or otherwise disposed of prior to five
 32 (5) years elapsing from the date of purchase, the maximum amount of any credit
 33 shall be reduced a pro rata amount. In addition, any distribution from the
 34 Company to the holder of the common stock or unit of interest that is not a
 35 dividend or distribution within the meaning of § 15-4-1215 shall be deemed a
 36 sale of that portion of the original purchase price of the common stock or

1 unit of interest on the date of such distribution for application of the
 2 credit reduction calculated under subdivision (a)(1)(A) of this section;

3 (B) In any one (1) tax year, the credit allowed by this section
 4 shall not exceed fifty percent (50%) of the net Arkansas state income tax or
 5 premium tax liability of the taxpayer after all other credits and reductions
 6 in tax have been calculated;

7 (C) Any credit in excess of the amount allowed by subdivision
 8 (a)(1)(B) of this section for any one (1) tax year may be carried forward and
 9 applied against Arkansas state income tax or premium tax for the next-
 10 succeeding tax year and annually thereafter for a total period of three (3)
 11 years next succeeding the year in which the credit arose, subject to the
 12 provisions of subdivision (a)(1)(B) of this section, or until the credit is
 13 exhausted, whichever occurs first. Provided, however, that any credit arising
 14 under Act 1029 of 1991 shall be allowed to be carried forward to years past
 15 December 31, 1999, subject to the three-year carry forward rules of this
 16 subdivision (a)(1)(C). In no event will the credit allowed by this section be
 17 allowed for any tax year ending after December 31, ~~1999~~ 2006;

18 (D) Any original purchaser of common stock or units of interest
 19 who seeks to qualify for and maintain the income tax credit or premium tax
 20 credit provided in this section must:-

21 ~~(i) Obtain~~ obtain and attach to its annual income tax or premium tax
 22 return a certified statement from the ~~corporation~~ Company issuing the common
 23 stock or units of interest stating:

24 ~~(a)(i)~~ (i) The name and address of the original purchaser;

25 ~~(b)(ii)~~ (ii) The number of shares or units of interest
 26 purchased;

27 ~~(c)(iii)~~ (iii) The amount paid by the original purchaser for the
 28 common stock or units of interest, specifying what portion of the original
 29 purchase price consisted of fees or commissions to the underwriter of sales
 30 agent;

31 ~~(d)(iv)~~ (iv) The date of purchase of the common stock or units
 32 of interest; ~~and~~

33 ~~(e)(v)~~ (v) The number of shares or units of interest of the
 34 original purchase still owned by the original purchaser; and

35 (vi) The amount and date of distributions made from the
 36 Company to the purchase and whether or not such distributions are ones made

1 pursuant to § 15-4-1215 hereof.

2 ~~(ii) Attach a copy of the certificate described in subdivision~~
 3 ~~(a)(1)(D)(i) of this section to the income tax return for the years the credit~~
 4 ~~is claimed.~~

5 (b) For the purpose of ascertaining the gain or loss from the sale or
 6 other disposition of common stock in a corporation or units of interest in a
 7 limited liability company, the original purchaser of the common stock or units
 8 of interest shall reduce his basis in the stock or units by the amount of the
 9 tax credits previously deducted under this section. The original purchaser's
 10 basis in the stock or units shall be further reduced by ten percent (10%) of
 11 the original purchase price for any shares of stock or units of interest sold
 12 or otherwise disposed of before five (5) years has elapsed from the date of
 13 purchase. This reduced basis shall be used by the original purchaser when
 14 calculating tax due under the Income Tax Act of 1929, beginning at § 26-51-
 15 101. et seq."

16
 17 SECTION 24. Arkansas Code 15-4-1225 is amended to read as follows:

18 "15-4-1225. Loan policy.

19 (a) A ~~corporation~~ Company organized under the provisions of this
 20 subchapter shall not lend money when credit is readily available on comparable
 21 terms elsewhere. Before granting a loan, the directors of ~~the a~~ corporation
 22 or management committee of a limited liability company shall endeavor so far
 23 as is reasonably possible to ascertain that reasonable opportunity to grant
 24 the loan has been given to the financial institutions of the state.

25 (b) No ~~corporation~~ Company organized under the provisions of this
 26 subchapter shall receive money on deposit.

27 (c) The ~~corporation~~ Company shall not deposit any of its funds in any
 28 banking institution unless such institution has been designated as a
 29 depository by a vote of a majority of the directors or a majority of the
 30 management committee present at an authorized meeting of the directors or
 31 management committee, exclusive of any director or member of the management
 32 committee who is an officer or director of the depository so designated."
 33

34 SECTION 25. Arkansas Code 15-4-1226 is amended to read as follows:

35 "15-4-1226. Supervision of ~~corporations~~ Companies.

36 (a) Each ~~corporation~~ Company organized under the provisions of this

1 subchapter shall be subject to the general supervision and control of the
 2 ~~commissioner~~ Commissioner and the State Board of Finance. In addition to the
 3 other duties imposed upon them by law, the powers of the ~~commissioner~~
 4 Commissioner or the State Board of Finance are to:

5 (1) Make reasonable rules and regulations which may be necessary
 6 to regulate the safety and soundness of the Companies for making this
 7 subchapter effective;

8 (2) Conduct investigations which may be necessary to determine
 9 whether any person has engaged in, or is about to engage in, any act or
 10 practice constituting a violation of any provision of the subchapter or of the
 11 laws of this state;

12 (3) Conduct any examinations, investigations, and hearings which
 13 may be necessary and proper for the efficient administration of the county and
 14 regional industrial development ~~corporation~~ company laws of this state and to
 15 charge the Company for the expense of such examination, investigation or
 16 hearing at the rate of two hundred twenty-five dollars (\$225) per examiner per
 17 day or partial day;

18 (4) Classify Within the Commissioner's discretion classify as
 19 confidential certain records and information obtained by the State Bank
 20 Department ~~or State Board of Finance~~ when such matters are obtained from an
 21 investigation or examination by the department's staff; however, applications
 22 shall be public documents.

23 (b) With respect of § 15-4-1220 herein, each Company organized under
 24 the provisions of this subchapter shall be subject to the specific regulation
 25 and control of the Securities Commissioner who shall have the authority to:

26 (1) Make reasonable rules and regulations which may be necessary
 27 for making § 15-43-1220 effective;

28 (2) Conduct investigations and hearings which may be necessary to
 29 determine whether any person has engaged in, or is about to engage in, any act
 30 or practice constituting a violation of § 15-4-1220 and to charge the Company
 31 for the expense of such investigation or hearing at the rate of two hundred
 32 twenty-five dollars (\$225) per investigator per day or partial day;

33 (3) Conduct any examinations, investigations, and hearings which
 34 may be necessary and proper for the efficient administration and application
 35 of § 15-4-1220 to county and regional industrial development companies; and

36 (4) Within the Securities Commissioner's discretion classify as

1 confidential certain records and information obtained by the Securities
 2 Commissioner when such matters are obtained from an investigation or
 3 examination by the department's staff."

4
 5 SECTION 26. Arkansas Code 15-4-1227 is amended to read as follows:

6 "15-4-1227. Dissolution of ~~corporation~~ Company.

7 (a) Any ~~corporation~~ Company organized under this subchapter, after the
 8 payment in full and cancellation of all its notes, bonds, and other
 9 obligations issued under the provisions of this subchapter, or after the
 10 deposit in trust with the respective trustees designated in any deeds of trust
 11 given to secure the payment of any such obligations of a sum of money
 12 sufficient for the purpose, may dissolve by the vote of a majority of the
 13 common stock of ~~the a corporation~~ or by the vote of a majority of the units of
 14 interest of a limited liability company, represented in person or by proxy, at
 15 any regular meeting, or at any special meeting of the holders of the common
 16 stock of ~~the a corporation~~ or the holders of the units of interest of a
 17 limited liability company called for that purpose.

18 (b) A certificate of dissolution shall be signed by the ~~president or~~
 19 ~~vice president~~ chief executive officer and attested by the ~~secretary~~ chief
 20 financial officer, certifying to such dissolution and stating that they have
 21 been authorized to execute and file such certificate by a vote cast in person
 22 or by proxy by holders of a majority of the common stock of ~~the a corporation~~
 23 or by holders of a majority of the units of interest of a limited liability
 24 company.

25 (c) The certificate of dissolution shall be executed, acknowledged, and
 26 filed and recorded in the same manner as the original articles of
 27 incorporation or articles of organization, and as soon as the ~~commissioner~~
 28 Commissioner shall have accepted and endorsed on the certificate of
 29 dissolution his approval thereof, the ~~corporation~~ Company shall be deemed to
 30 be dissolved.

31 (d) Such ~~corporation~~ Company shall, however, be continued for the
 32 purpose of paying, satisfying, and discharging any other existing liabilities
 33 or obligations, and collecting or liquidating its assets, and doing all other
 34 acts required to adjust and conclude its business and affairs, and may sue and
 35 be sued in its corporate or limited liability company name.

36 (e) Any assets remaining after all liabilities or other obligations of

1 the ~~corporation~~ Company have been satisfied or discharged shall be distributed
 2 pro rata first among the then-holders, if any, of any stock of ~~the a~~
 3 corporation or holders of units of interest of a limited liability company
 4 entitled to a preference, and the remaining assets of the ~~corporation~~ Company
 5 shall then be distributed, pro rata, among the then-holders of the common
 6 stock of ~~the a~~ corporation or among the then holders of the units of interest
 7 of a limited liability company not entitled to any such preferences.

8 (f) A copy of the certificate of dissolution as accepted and endorsed
 9 by the Commissioner, as prescribed in § 15-4-1227(c), shall be filed for
 10 recordation in the office of the county clerk in the county in which the
 11 principal office of the Company is located and a copy shall be delivered to
 12 the director of the Department of Finance and Administration."

13
 14 SECTION 27. Arkansas Code 15-4-1228 is amended to read as follows:

15 "15-4-1228. Investigations by ~~commissioner~~ Commissioner ~~or State Board~~
 16 ~~of Finance~~ or Securities Commissioner- Injunctions.

17 (a) The ~~commissioner~~ Commissioner ~~or State Board of Finance~~ may
 18 investigate, either upon complaint or otherwise, when it appears that a county
 19 or regional industrial development ~~corporation~~ Company is conducting its
 20 business in an unsafe and injurious manner or in violation of this subchapter,
 21 or the regulations promulgated thereunder by the ~~commissioner~~ Commissioner ~~or~~
 22 ~~the State Board of Finance~~, or when it appears that any person is engaging in
 23 the business without being approved under the provisions of this subchapter.

24 (b) The Securities Commissioner may investigate, either upon complaint
 25 or otherwise, when it appears that a county or regional industrial development
 26 company is offering its securities in violation of § 15-4-1220 hereof or is
 27 otherwise violating the provisions of Arkansas law that come under the
 28 jurisdiction of the Securities Commissioner.

29 (b)(c)(1) Subject to the jurisdictional provisions of subdivisions (a)
 30 and (b) of this section, whenever ~~Whenever~~ it appears, upon sufficient grounds
 31 or evidence satisfactory to the ~~commissioner~~ Commissioner ~~or the State Board~~
 32 of Finance or the Securities Commissioner, that any county or regional
 33 industrial development ~~corporation~~ company has engaged in or is about to
 34 engage in any act or practice in violation of this subchapter or any rule or
 35 regulation or order hereunder, or the assets or capital of any county or
 36 regional industrial development ~~corporation~~ company is impaired or the county

1 or regional industrial development ~~corporation's~~ company's affairs are in an
 2 unsafe condition, the ~~commissioner~~ Commissioner or ~~State Board of Finance~~ or
 3 the Securities Commissioner may:

4 (A) Refer the evidence which is available concerning
 5 violations of this subchapter or any rule, regulation, or order hereunder, to
 6 the appropriate ~~prosecuting attorney~~ agency, who may, with or without such
 7 reference, institute the appropriate ~~criminal~~ corrective action or
 8 proceedings; or

9 (B) Summarily order the county or regional industrial
 10 development ~~corporation~~ company to cease and desist from the act or practice,
 11 during the time the ~~commissioner~~ Commissioner or ~~State Board of Finance~~
 12 Securities Commissioner may apply to the Chancery Court of Pulaski County to
 13 enjoin the act or practice and to enforce compliance with this subchapter or
 14 any rule, regulation, or order hereunder. However, the ~~commissioner~~
 15 Commissioner or ~~State Board of Finance~~ the Securities Commissioner may,
 16 without issuing a cease and desist order, apply directly to the Chancery Court
 17 of Pulaski County for injunctive relief.

18 (2) Upon proper showing, a permanent or temporary injunction,
 19 restraining order, or writ of mandamus shall be granted, and a receiver or
 20 conservator may be appointed for the county or regional industrial development
 21 ~~corporation~~ company or its assets.

22 (3) The court may not require the ~~commissioner~~ Commissioner or
 23 ~~State Board of Finance~~ the Securities Commissioner to post a bond.

24 (4) In addition to any other remedy provided herein or under
 25 applicable law, the cost of the Commissioner or the Securities Commissioner
 26 incurred in successfully prosecuting violations of this subchapter may be
 27 imposed by the court as additional damages payable by the Company.

28 (d) A copy of all reports of investigation or other proceedings
 29 conducted pursuant to this section shall be forwarded to the director of the
 30 Department of Finance and Administration."

31
 32 SECTION 28. All provisions of this act of a general and permanent
 33 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
 34 Code Revision Commission shall incorporate the same in the Code.

35
 36 SECTION 29. If any provision of this act or the application thereof to

1 any person or circumstance is held invalid, such invalidity shall not affect
 2 other provisions or applications of the act which can be given effect without
 3 the invalid provision or application, and to this end the provisions of this
 4 act are declared to be severable.

5
 6 SECTION 30. All laws and parts of laws in conflict with this act are
 7 hereby repealed.

8
 9 SECTION 31. EMERGENCY CLAUSE. It is hereby found and determined by the
 10 Eighty-second General Assembly that the various regional industrial
 11 development corporations established pursuant to Arkansas Code 15-4-1201
 12 through 15-4-1228 have been most successful in accomplishing their purposes of
 13 promoting, stimulating, developing, and advancing the business prosperity and
 14 economic welfare of the county or region they serve; that such entities can
 15 even better serve their purposes as limited liability companies; that the
 16 state income tax credit provided in the present law for purchasers of common
 17 stock in such corporations expires and will not be allowed for any tax year
 18 ending after December 31, 1999; that this law permits such corporations to
 19 convert to limited liability companies, expands the tax credit to include
 20 premium taxes, permits tax credit arising under present law to be carried
 21 forward past 1999 and extends the expiration date for the tax credit allowance
 22 to December 31, 2006; and that these revisions of the County and Regional
 23 Industrial Development Corporation Act must be given effect immediately to
 24 assure that the entities established hereunder can continue to carry out their
 25 essential function of promoting and developing the economic prosperity of the
 26 counties and regions they represent. Therefore, an emergency is declared to
 27 exist and this act being immediately necessary for the preservation of the
 28 public peace, health and safety shall become effective on the date of its
 29 approval by the Governor. If the bill is neither approved nor vetoed by the
 30 Governor, it shall become effective on the expiration of the period of time
 31 during which the Governor may veto the bill. If the bill is vetoed by the
 32 Governor and the veto is overridden, it shall become effective on the date the
 33 last house overrides the veto.

34 _____ APPROVED: 2/10/1999