

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 153 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009
4

As Engrossed: S1/29/09

A Bill

SENATE BILL 104

5 By: Senators Glover, Capps
6 By: Representatives McCrary, Barnett
7

For An Act To Be Entitled

10 AN ACT TO AMEND THE ARKANSAS INTERSTATE HIGHWAY
11 FINANCING ACT OF 2007 TO EXTEND THE TIME FOR
12 ISSUING GRANT ANTICIPATION REVENUE BONDS FOR THE
13 RESTORATION AND IMPROVEMENT TO THE INTERSTATE
14 HIGHWAY SYSTEM WITHIN THE STATE OF ARKANSAS; AND
15 FOR OTHER PURPOSES.

Subtitle

16
17
18 TO AMEND THE ARKANSAS INTERSTATE HIGHWAY
19 FINANCING ACT OF 2007 TO EXTEND THE TIME
20 FOR ISSUING GRANT ANTICIPATION REVENUE
21 BONDS FOR THE RESTORATION AND
22 IMPROVEMENT TO THE INTERSTATE HIGHWAY
23 SYSTEM.
24
25

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
27

28 SECTION 1. Arkansas Code § 27-64-404 is amended to read as follows:
29 27-64-404. Authorization – Purposes.

30 The State Highway Commission is hereby authorized, subject to the
31 approval of the voters in a statewide election, to issue bonds from time to
32 time provided that the total principal amount outstanding from the issuance
33 of the bonds, together with the total principal amount outstanding from the
34 issuance of bonds pursuant to Arkansas Highway Financing Act of 1999, § 27-
35 64-201 et seq., shall not, at any time, exceed five hundred seventy-five



1 million dollars (\$575,000,000). The bonds will be issued in one (1) or more
2 series of various principal amounts, with the last series being issued no
3 later than December 31, ~~2013~~ 2015. The bonds shall be issued for the
4 following purposes:

5 (1) Accelerating interstate highway improvement projects already
6 underway or scheduled;

7 (2) Funding new interstate highway improvement projects;

8 (3) Financing the restoration, reconstruction, and renovation of
9 interstate highway improvements within the State of Arkansas; and

10 (4) Paying the costs of issuance of the bonds, including the
11 costs of bond issuance or other credit enhancement.

12
13 *SECTION 2. Arkansas Code § 27-64-405(b) and (c), concerning elections*
14 *under the Arkansas Interstate Highway Financing Act of 2007, are amended to*
15 *read as follows:*

16 *(b) The notice of election shall state that the election is to be held*
17 *for the purpose of submitting to the people the following proposition, in*
18 *substantially the form set forth herein:*

19
20 *“Authorizing the State Highway Commission to issue State of Arkansas*
21 *Federal Highway Grant Anticipation and Tax Revenue Bonds (the “Bonds”) from*
22 *time to time provided that the total principal amount outstanding from the*
23 *issuance of such bonds, together with the total principal amount outstanding*
24 *from the issuance of bonds pursuant to Arkansas Highway Financing Act of*
25 *1999, § 27-64-201 et seq., shall not, at any time, exceed five hundred*
26 *seventy-five million dollars (\$575,000,000). If approved, the bonds will be*
27 *issued in one or more series of various principal amounts, with the last*
28 *series being issued no later than December 31, ~~2013~~ 2015. The bonds shall be*
29 *issued for the purpose of paying the cost of constructing and renovating*
30 *improvements to interstate highways and related facilities in the State of*
31 *Arkansas.*

32
33 *The bonds shall be general obligations of the State of Arkansas,*
34 *payable from certain designated revenues and also secured by the full faith*
35 *and credit of the State of Arkansas, including its general revenues. Pursuant*
36 *to the Arkansas Interstate Highway Financing Act of 2007 (the “Bond Act”),*

1 the bonds will be repaid first from: (1) revenues derived from federal
2 highway assistance funding allocated to the State of Arkansas designated as
3 federal highway interstate maintenance funds, and (2) revenue derived from
4 the increase in the excise tax levied on distillate special fuels (diesel)
5 pursuant to section 2 of the "Arkansas Distillate Special Fuel Excise Tax Act
6 of 1999" and the "Motor Fuel Excise Tax Act of 1999" and transferred to the
7 State Highway and Transportation Department Fund pursuant to § 27-70-207(c)
8 in accordance with section 4(a) of the "Arkansas Distillate Special Fuel
9 Excise Tax Act of 1999" and the "Motor Fuel Excise Tax Act of 1999." To the
10 extent that designated revenues are insufficient to make timely payment of
11 debt service on the bonds, such payment shall be made from the general
12 revenues of the State of Arkansas. The bonds shall be issued pursuant to the
13 authority of and the terms set forth in the Bond Act.

14
15 Pursuant to the Bond Act, the highway improvements to be financed are
16 limited to the restoration and improvements to all of the interstate highway
17 system within the state, including roadways, bridges, or rights-of-way under
18 jurisdiction of the State Highway Commission, which shall also include the
19 acquisition, construction, reconstruction, and renovation of such interstate
20 highway system and facilities appurtenant or pertaining thereto.

21
22 Pursuant to the Bond Act, "designated revenues" are defined as: (1)
23 that portion designated by the commission of all funds received or to be
24 received from the federal government as federal highway interstate
25 maintenance funds, and (2) revenues derived from the increase in taxes levied
26 on distillate special fuels pursuant to section 2 of the "Arkansas Distillate
27 Special Fuel Excise Tax Act of 1999" and the "Motor Fuel Excise Tax Act of
28 1999" and transferred to the State Highway and Transportation Department Fund
29 pursuant to Arkansas Code § 27-70-207(c) in accordance with section 4(a) of
30 the "Arkansas Distillate Special Fuel Excise Tax Act of 1999" and the "Motor
31 Fuel Excise Tax Act of 1999." Designated revenues shall not include the
32 revenues derived from the increase in tax on motor fuel (gasoline) resulting
33 from the "Arkansas Distillate Special Fuel Excise Tax Act of 1999" and the
34 "Motor Fuel Excise Tax Act of 1999". The bonds are further secured by the
35 full faith and credit of the State of Arkansas, and to the extent "designated
36 revenues" are insufficient to make timely payment of debt service on the

1 bonds, the general revenues of the state shall be used to pay debt service on
2 the bonds."

3 (c) The ballot title shall be "Issuance of State of Arkansas Federal
4 Highway Grant Anticipation and Tax Revenue Bonds and pledge of full faith and
5 credit of the State of Arkansas." On each ballot there shall be printed the
6 title, the proposition set forth in § 27-64-406 and the following:

7
8 "FOR authorizing the State Highway Commission to issue State of
9 Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds from time
10 to time provided that the total principal amount outstanding from the
11 issuance of such bonds, together with the total principal amount outstanding
12 from the issuance of bonds pursuant to the Arkansas Highway Financing Act of
13 1999, Arkansas Code § 27-64-201 et seq., shall not, at any time, exceed five
14 hundred seventy-five million dollars (\$575,000,000); such bonds to be issued
15 in one or more series of various principal amounts, with the last series
16 being issued no later than December 31, ~~2013~~ 2015, and to be secured by the
17 full faith and credit of the State of Arkansas []"

18
19 "AGAINST authorizing the State Highway Commission to issue State of
20 Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds from time
21 to time provided that the total principal amount outstanding from the
22 issuance of such bonds, together with the total principal amount outstanding
23 from the issuance of bonds pursuant to the Arkansas Highway Financing Act of
24 1999, Arkansas Code § 27-64-201 et seq., shall not, at any time, exceed five
25 hundred seventy-five million dollars (\$575,000,000); such bonds to be issued
26 in one or more series of various principal amounts, with the last series
27 being issued no later than December 31, ~~2013~~ 2015, and to be secured by the
28 full faith and credit of the State of Arkansas []"

29
30 SECTION 3. Arkansas Code § 27-64-412(a), concerning refunding of
31 bonds, is amended to read as follows:

32 (a) The State Highway Commission may issue bonds for the purpose of
33 refunding bonds previously issued pursuant to this act; provided, however,
34 that such bonds are not issued after December 31, ~~2013~~ 2015, and that the
35 total amount of bonds outstanding after the refunding is completed does not
36 exceed the total amount authorized by this act.

1

/s/ Glov

APPROVED: 2/12/2009r