

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: H2/21/11

A Bill

HOUSE BILL 1416

5 By: Representatives Allen, Branscum, Catlett, Cheatham, Hyde, Ingram, Kerr, King, Lovell, Rice,
6 Westerman, Williams, Woods, Wright
7

For An Act To Be Entitled

9 AN ACT TO REMOVE THE INTEREST RATE LIMITATION FOR
10 BONDS ISSUED UNDER THE AUTHORITY OF AMENDMENT NO. 62
11 TO THE ARKANSAS CONSTITUTION; TO DECLARE AN
12 EMERGENCY; AND FOR OTHER PURPOSES.
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Subtitle

15 AN ACT TO REMOVE THE INTEREST RATE
16 LIMITATION FOR BONDS ISSUED UNDER THE
17 AUTHORITY OF AMENDMENT NO. 62 TO THE
18 ARKANSAS CONSTITUTION AND TO DECLARE AN
19 EMERGENCY.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 14-164-311 is amended to read as follows:

26 14-164-311. Bonds generally – Interest rates.

27 ~~(a) Bonds for capital improvements shall not bear a rate of interest~~
28 ~~in excess of two percent (2%) per annum above the Federal Reserve rate in~~
29 ~~effect at the time of the election authorizing the bonds.~~

30 ~~(b) Industrial development bonds may bear such rate or rates of~~
31 ~~interest as the ordinance shall provide.~~

32 Bonds may bear the rate or rates of interest that the ordinance or
33 trust indenture authorized in § 14-164-310(a) provides.
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35 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
36 General Assembly of the State of Arkansas that the voters of the state have



1 approved Issue No. 2 at the general election held November 2, 2010; that
2 Issue No. 2 removed the interest rate limitation on bonds set forth in
3 Amendment 62 of the Arkansas Constitution of 1874; that bonds are issued
4 under the authority of Amendment 62 of the Arkansas Constitution of 1874
5 under § 14-164-301 et seq.; that the interest limit on bonds issued under §
6 14-164-301 et seq. must be removed; and that this act is immediately
7 necessary to allow municipalities and counties to issue bonds at market rates
8 to fund voter-approved capital improvement projects. Therefore, an emergency
9 is declared to exist and this act being immediately necessary for the
10 preservation of the public peace, health, and safety shall become effective
11 on:

12 (1) The date of its approval by the Governor;

13 (2) If the bill is neither approved nor vetoed by the Governor,
14 the expiration of the period of time during which the Governor may veto the
15 bill; or

16 (3) If the bill is vetoed by the Governor and the veto is
17 overridden, the date the last house overrides the veto.

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19 */s/Allen*

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22 **APPROVED: 03/15/2011**