

**ARKANSAS SENATE**  
88th General Assembly - Regular Session, 2011  
**Amendment Form**

\*\*\*\*\*

**Subtitle of Senate Joint Resolution No. 5**

PROPOSING AN AMENDMENT TO THE ARKANSAS CONSTITUTION CONCERNING  
FINANCIAL REFORM FOR COUNTIES AND MUNICIPALITIES.

\*\*\*\*\*

**Amendment No. 2 to Senate Joint Resolution No. 5**

Amend Senate Joint Resolution No. 5 as engrossed, S3/9/11 (version: 03/09/2011 09:11:51 AM)

Page 1, line 21, delete "AMENDING" and substitute "AND AMENDING"

AND

Page 1, line 25, delete "OR" and substitute "AND"

AND

Page 1, delete lines 27 through 35 and substitute the following:  
"PROPERTY FINANCED."

AND

Page 3, delete lines 23 through 26 and substitute the following:

"SECTION 2. (a) As used in Section 2 of this amendment:

(1) "Bonds" means all bonds, notes, certificates, or other interest-bearing instruments or evidences of indebtedness;

(2) "Closed local police and fire pension plan" means a police officer's pension and relief fund or a firefighter's pension and relief fund that:

(A) Was created by a municipality or county of the state;

(B) Does not cover police officers or firefighters first hired by the employer on or after January 1, 1983; and

(C) Was consolidated with the Arkansas Local Police and Fire Retirement System or its successor; and

(3) "Unfunded liability" means the amount by which the actuarial accrued liability exceeds the actuarial value of assets.

(b)(1)(A) With the consent of a majority of the qualified electors voting on the question at a special election called for that purpose or at a general election, the legislative body of a municipality or county may authorize the issuance of bonds for retiring the municipality's or county's



unfunded liabilities for a closed local police and fire pension plan in an amount approved by a majority of those voting on the question either at a special election called for that purpose or at a general election.

(B) The General Assembly shall prescribe a uniform method of calling and holding the election and the terms upon which the bonds may be issued.

(C) The election shall be held no earlier than thirty (30) days after it is called by the legislative body.

(2)(A) With the consent of a majority of the qualified electors voting on the question at an election called for that purpose, the legislative body of a municipality or county may authorize the levy of a local sales tax to pay the bonded indebtedness authorized in this section.

(B) The maximum rate of any tax to pay bonded indebtedness as authorized in this section shall be stated on the ballot.

(C) The General Assembly or the legislative body may authorize other taxes to retire the bonds.

(3)(A) The limit of the principal amount of bonded indebtedness of the municipality or county is the total amount of unfunded liability of the municipality or county for a closed local police and fire pension plan.

(B) An election shall not be called to authorize the issuance of bonds that would exceed the total amount of the unfunded liability of the municipality or county for the closed local police and fire pension plan either separately or combined with other bonds issued for the purpose of retiring the municipality's or county's unfunded liabilities for a closed local police and fire pension plan.

(c) The results of an election called under this section shall be published in a newspaper of general circulation in the county or municipality, and any contest of the election or the tabulation of the votes in the election shall be brought within thirty (30) days after the publication.

(d)(1) Bonds issued under this section shall be issued only for the repayment of unfunded liability of a closed local police and fire pension plan.

(2) The bonds issued under this section and the tax authorized by this section shall not be used for any other purpose.

(e) The bonds described in subsection (b) of this section may be sold:

(1) At a public or private sale;

(2) Upon the terms that the municipality or county determines are reasonable and expedient for effectuating the purpose of retiring the unfunded liability of a closed local police and fire pension plan of the municipality or county; and

(3) At a price the municipality or county determines to be acceptable, including without limitation sale at a discount.

(f)(1)(A) The municipality or county may invest or reinvest the proceeds from the sale of the bonds.

(B) The General Assembly shall prescribe the terms upon which a municipality or county may invest or reinvest bonds for the purpose of retiring the unfunded liability of a closed local police and fire pension plan of the municipality or county.

(2)(A) After bonds have been issued under this section, a municipality or county may issue bonds for the purpose of refunding the principal of and interest on any outstanding bonds issued under this section.

(B)(i) The refunding bonds may be sold or delivered in exchange for the bonds being refunded.

(ii) If sold, the refunding bonds shall be issued, secured, and sold in accordance with this section.

(iii) If delivered in exchange, the municipality or county may exchange the bonds only for bonds of like amount, rate, interest, and length of issue.

(C) The proceeds derived from the sale of any refunding bonds shall be used only for the purposes stated in this section.

(g) After the electorate has approved the bond issue and before the issuance of the bonds, the municipality or county may borrow funds on an interim basis, not to exceed three (3) years, and pledge to the payment of the bonds the tax approved by the voters.

(h)(1) The revenues from the tax levied for payment of bonded indebtedness authorized in this section constitute a special fund pledged exclusively as security for the payment of the bonded indebtedness.

(2) The tax shall not be extended for any other purpose, and it shall not be collected for a greater length of time than necessary to retire the bonded indebtedness.

(3) Upon retirement of the bonded indebtedness, any surplus tax collections that may have accumulated shall be transferred to the general funds of the municipality or county.

(i) The General Assembly shall implement this section by appropriate legislation at the next regular session or fiscal session following the adoption of this amendment.

(j)(1) This section does not affect the taxes and bonds authorized for other purposes before the adoption of this amendment.

(2) Taxes levied before the effective date of this amendment continue in force until abolished, reduced, or increased as provided by law for those taxes.

(3) All bonds and other evidences of indebtedness authorized before the effective date of this amendment are governed by the constitutional provisions and laws in effect at the time of the authorization of those bonds."

AND

Page 4, line 23, delete "or" and substitute "and"

The Amendment was read the first time, rules suspended and read the second time and \_\_\_\_\_

By: Senator Files  
MBM/BGS - 03/14/11 01:07  
MBM359

\_\_\_\_\_  
Secretary