

**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 1551 of the Regular Session**

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005

A Bill

HOUSE BILL 1985

4
5 By: Representative Childers
6
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE DEFINITION OF "CAPITAL
10 IMPROVEMENTS" FOR PURPOSES OF LOCAL BOND ISSUES;
11 TO PERMIT THE LEVY OF A ONE-EIGHTH PERCENT
12 (0.125%) SALES AND USE TAX FOR LOCAL CAPITAL
13 IMPROVEMENT BONDS; AND FOR OTHER PURPOSES.
14

Subtitle

15 AN ACT TO AMEND THE DEFINITION OF
16 "CAPITAL IMPROVEMENTS" FOR PURPOSES OF
17 LOCAL BOND ISSUES.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 14-164-303(a)(2), pertaining to the
24 definition of capital improvements for local bond issues and effective until
25 January 1, 2006, and until contingency in Acts 2003, No. 1273, § 88 is met,
26 is amended to read as follows:

27 (2) "Capital improvements of a public nature" or "capital
28 improvements", for the purposes of Arkansas Constitution, Amendment 62, and
29 this subchapter means whether obtained by purchase, lease, construction,
30 reconstruction, restoration, improvement, alteration, repair, or other means:

31 (A) Any physical public betterment or improvement or any
32 preliminary plans, studies, or surveys relative thereto;

33 (B) Land or rights in land, including, without limitation,
34 leases, air rights, easements, rights-of-way, or licenses; and

35 (C) Any furnishings, machinery, vehicles, apparatus, or



1 equipment for any public betterment or improvement, which shall include,
2 without limiting the generality of the foregoing definition, the following:

3 (i) City or town halls, courthouses, and
4 administrative, executive, or other public offices;

5 (ii) Court facilities;

6 (iii) Jails;

7 (iv) Police and sheriff stations, apparatus, and
8 facilities;

9 (v) Firefighting facilities and apparatus;

10 (vi) Public health facilities and apparatus;

11 (vii) Hospitals, nursing homes, and ~~similar~~
12 ~~extended-care~~ other health care facilities;

13 (viii) Facilities for nonprofit organizations
14 engaged primarily in public health, health systems support, safety, disaster
15 relief, and related activities;

16 (ix) Residential housing for low and moderate
17 income, elderly, or individuals with disabilities and families;

18 (x) Parking facilities and garages;

19 (xi) ~~Educational facilities~~ Animal control
20 facilities and apparatus;

21 (xii) Economic development facilities;

22 (xiii) Education and training facilities ~~for public~~
23 ~~employees;~~

24 (xiv) Auditoriums;

25 (xv) Stadiums and arenas;

26 (xvi) Convention, meeting, or entertainment
27 facilities;

28 (xvii) Ambulance and other emergency medical service
29 facilities;

30 (xviii) Civil defense or early warning facilities
31 and apparatus;

32 (xix) Air and water pollution control facilities;

33 (xx) Drainage and flood control facilities;

34 (xxi) Storm sewers;

35 (xxii) Arts and crafts centers;

36 (xxiii) Museums and related audiovisual facilities;

- 1 (xxiv) Libraries;
- 2 (xxv) Public parks, playgrounds, or other public
- 3 open space;
- 4 (xxvi) Marinas;
- 5 (xxvii) Swimming pools, tennis courts, golf courses,
- 6 camping facilities, gymnasiums, and other recreational facilities;
- 7 (xxviii) Tourist information and assistance centers;
- 8 (xxix) Historical, cultural, natural, or folklore
- 9 sites;
- 10 (xxx) Fair and exhibition facilities;
- 11 (xxxii) Streets and street lighting, alleys,
- 12 sidewalks, roads, bridges, and viaducts;
- 13 (xxxiii) Airports, passenger or freight terminals,
- 14 hangars, and related facilities;
- 15 (xxxiiii) Barge terminals, ports, harbors, ferries,
- 16 wharves, docks, and similar marine services;
- 17 (xxxv) Slack water harbors, water resource
- 18 facilities, waterfront development facilities, and navigational facilities;
- 19 (xxxvi) Public transportation facilities;
- 20 (xxxvii) Public water systems and related
- 21 transmission and distribution facilities, storage facilities, wells,
- 22 impounding reservoirs, treatment plants, lakes, dams, watercourses, and water
- 23 rights;
- 24 (xxxviii) Sewage collection systems and treatment
- 25 plants;
- 26 (xxxix) Maintenance and storage buildings and
- 27 facilities;
- 28 (xl) Incinerators;
- 29 (xli) Garbage and solid waste collection disposal,
- 30 compacting, and recycling facilities of every kind;
- 31 (xlii) Facilities for the generation, transmission,
- 32 and distribution of television communications;
- 33 (xliii) Gas and electric generation, transmission,
- 34 and distribution systems, including, without limiting the generality of the
- 35 foregoing, hydroelectric generating facilities, dams, powerhouses, and
- 36 related facilities; ~~and~~

1 (xliii) Social and rehabilitative service
2 facilities; and

3 (xliv) Communications facilities and apparatus;
4

5 SECTION 2. Arkansas Code § 14-164-303(2), pertaining to the definition
6 of capital improvements for local bond issues and effective January 1, 2006,
7 is amended to read as follows:

8 (2) "Capital improvements of a public nature" or "capital
9 improvements", for the purposes of Arkansas Constitution, Amendment 62, and
10 this subchapter means whether obtained by purchase, lease, construction,
11 reconstruction, restoration, improvement, alteration, repair, or other means:

12 (A) Any physical public betterment or improvement or any
13 preliminary plans, studies, or surveys relative thereto;

14 (B) Land or rights in land, including, without limitation,
15 leases, air rights, easements, rights-of-way, or licenses; and

16 (C) Any furnishings, machinery, vehicles, apparatus, or
17 equipment for any public betterment or improvement, which shall include,
18 without limiting the generality of the foregoing definition, the following:

19 (i) City or town halls, courthouses, and
20 administrative, executive, or other public offices;

21 (ii) Court facilities;

22 (iii) Jails;

23 (iv) Police and sheriff stations, apparatus, and
24 facilities;

25 (v) Firefighting facilities and apparatus;

26 (vi) Public health facilities and apparatus;

27 (vii) Hospitals, nursing homes, and ~~similar~~
28 ~~extended-care~~ other health care facilities;

29 (viii) Facilities for nonprofit organizations
30 engaged primarily in public health, health systems support, safety, disaster
31 relief, and related activities;

32 (ix) Residential housing for low and moderate
33 income, elderly, or individuals with disabilities and families;

34 (x) Parking facilities and garages;

35 (xi) ~~Educational facilities~~ Animal control
36 facilities and apparatus;

- 1 (xii) Economic development facilities;
- 2 (xiii) Education and training facilities ~~for public~~
- 3 ~~employees;~~
- 4 (xiv) Auditoriums;
- 5 (xv) Stadiums and arenas;
- 6 (xvi) Convention, meeting, or entertainment
- 7 facilities;
- 8 (xvii) Ambulance and other emergency medical service
- 9 facilities;
- 10 (xviii) Civil defense or early warning facilities
- 11 and apparatus;
- 12 (xix) Air and water pollution control facilities;
- 13 (xx) Drainage and flood control facilities;
- 14 (xxi) Storm sewers;
- 15 (xxii) Arts and crafts centers;
- 16 (xxiii) Museums and related audiovisual facilities;
- 17 (xxiv) Libraries;
- 18 (xxv) Public parks, playgrounds, or other public
- 19 open space;
- 20 (xxvi) Marinas;
- 21 (xxvii) Swimming pools, tennis courts, golf courses,
- 22 camping facilities, gymnasiums, and other recreational facilities;
- 23 (xxviii) Tourist information and assistance centers;
- 24 (xxix) Historical, cultural, natural, or folklore
- 25 sites;
- 26 (xxx) Fair and exhibition facilities;
- 27 (xxxii) Streets and street lighting, alleys,
- 28 sidewalks, roads, bridges, and viaducts;
- 29 (xxxiii) Airports, passenger or freight terminals,
- 30 hangars, and related facilities;
- 31 (xxxiiii) Barge terminals, ports, harbors, ferries,
- 32 wharves, docks, and similar marine services;
- 33 (xxxv) Slack water harbors, water resource
- 34 facilities, waterfront development facilities, and navigational facilities;
- 35 (xxxvi) Public transportation facilities;
- 36 (xxxvii) Public water systems and related

1 transmission and distribution facilities, storage facilities, wells,
2 impounding reservoirs, treatment plants, lakes, dams, watercourses, and water
3 rights;

4 (xxxvii) Sewage collection systems and treatment
5 plants;

6 (xxxviii) Maintenance and storage buildings and
7 facilities;

8 (xxxix) Incinerators;

9 (xl) Garbage and solid waste collection disposal,
10 compacting, and recycling facilities of every kind;

11 (xli) Facilities for the generation, transmission,
12 and distribution of television communications;

13 (xlii) Gas and electric generation, transmission,
14 and distribution systems, including, without limiting the generality of the
15 foregoing, hydroelectric generating facilities, dams, powerhouses, and
16 related facilities; ~~and~~

17 (xliii) Social and rehabilitative service
18 facilities; and

19 (xliv) Communications facilities and apparatus;
20

21 SECTION 3. Arkansas Code § 14-164-303(a)(2), pertaining to the
22 definition of capital improvements for local bond issues and effective until
23 January 1, 2006, and when contingency of Acts 2003, No. 1273, § 88 is met, is
24 amended to read as follows:

25 (2) "Capital improvements of a public nature" or "capital
26 improvements", for the purposes of Arkansas Constitution, Amendment 62, and
27 this subchapter means whether obtained by purchase, lease, construction,
28 reconstruction, restoration, improvement, alteration, repair, or other means:

29 (A) Any physical public betterment or improvement or any
30 preliminary plans, studies, or surveys relative thereto;

31 (B) Land or rights in land, including, without limitation,
32 leases, air rights, easements, rights-of-way, or licenses; and

33 (C) Any furnishings, machinery, vehicles, apparatus, or
34 equipment for any public betterment or improvement, which shall include,
35 without limiting the generality of the foregoing definition, the following:

36 (i) City or town halls, courthouses, and

- 1 administrative, executive, or other public offices;
- 2 (ii) Court facilities;
- 3 (iii) Jails;
- 4 (iv) Police and sheriff stations, apparatus, and
- 5 facilities;
- 6 (v) Firefighting facilities and apparatus;
- 7 (vi) Public health facilities and apparatus;
- 8 (vii) Hospitals, nursing homes, and ~~similar~~
- 9 ~~extended-care~~ other health care facilities;
- 10 (viii) Facilities for nonprofit organizations
- 11 engaged primarily in public health, health systems support, safety, disaster
- 12 relief, and related activities;
- 13 (ix) Residential housing for low and moderate
- 14 income, elderly, or individuals with disabilities and families;
- 15 (x) Parking facilities and garages;
- 16 (xi) ~~Educational facilities~~ Animal control
- 17 facilities and apparatus;
- 18 (xii) Economic development facilities;
- 19 (xiii) Education and training facilities ~~for public~~
- 20 ~~employees~~;
- 21 (xiv) Auditoriums;
- 22 (xv) Stadiums and arenas;
- 23 (xvi) Convention, meeting, or entertainment
- 24 facilities;
- 25 (xvii) Ambulance and other emergency medical service
- 26 facilities;
- 27 (xviii) Civil defense or early warning facilities
- 28 and apparatus;
- 29 (xix) Air and water pollution control facilities;
- 30 (xx) Drainage and flood control facilities;
- 31 (xxi) Storm sewers;
- 32 (xxii) Arts and crafts centers;
- 33 (xxiii) Museums and related audiovisual facilities;
- 34 (xxiv) Libraries;
- 35 (xxv) Public parks, playgrounds, or other public
- 36 open space;

- 1 (xxvi) Marinas;
- 2 (xxvii) Swimming pools, tennis courts, golf courses,
- 3 camping facilities, gymnasiums, and other recreational facilities;
- 4 (xxviii) Tourist information and assistance centers;
- 5 (xxix) Historical, cultural, natural, or folklore
- 6 sites;
- 7 (xxx) Fair and exhibition facilities;
- 8 (xxxix) Streets and street lighting, alleys,
- 9 sidewalks, roads, bridges, and viaducts;
- 10 (xxxii) Airports, passenger or freight terminals,
- 11 hangars, and related facilities;
- 12 (xxxiii) Barge terminals, ports, harbors, ferries,
- 13 wharves, docks, and similar marine services;
- 14 (xxxiv) Slack water harbors, water resource
- 15 facilities, waterfront development facilities, and navigational facilities;
- 16 (xxxv) Public transportation facilities;
- 17 (xxxvi) Public water systems and related
- 18 transmission and distribution facilities, storage facilities, wells,
- 19 impounding reservoirs, treatment plants, lakes, dams, watercourses, and water
- 20 rights;
- 21 (xxxvii) Sewage collection systems and treatment
- 22 plants;
- 23 (xxxviii) Maintenance and storage buildings and
- 24 facilities;
- 25 (xxxix) Incinerators;
- 26 (xl) Garbage and solid waste collection disposal,
- 27 compacting, and recycling facilities of every kind;
- 28 (xli) Facilities for the generation, transmission,
- 29 and distribution of television communications;
- 30 (xlii) Gas and electric generation, transmission,
- 31 and distribution systems, including, without limiting the generality of the
- 32 foregoing, hydroelectric generating facilities, dams, powerhouses, and
- 33 related facilities; ~~and~~
- 34 (xliii) Social and rehabilitative service
- 35 facilities; and
- 36 (xliv) Communications facilities and apparatus;

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SECTION 4. Arkansas Code § 14-164-303(2), pertaining to the definition of capital improvements for local bond issues and effective January 1, 2006, and when contingency of Acts 2003, No. 1273, § 88 is met, is amended to read as follows:

(2) "Capital improvements of a public nature" or "capital improvements", for the purposes of Arkansas Constitution, Amendment 62, and this subchapter means whether obtained by purchase, lease, construction, reconstruction, restoration, improvement, alteration, repair, or other means:

(A) Any physical public betterment or improvement or any preliminary plans, studies, or surveys relative thereto;

(B) Land or rights in land, including, without limitation, leases, air rights, easements, rights-of-way, or licenses; and

(C) Any furnishings, machinery, vehicles, apparatus, or equipment for any public betterment or improvement, which shall include, without limiting the generality of the foregoing definition, the following:

(i) City or town halls, courthouses, and administrative, executive, or other public offices;

(ii) Court facilities;

(iii) Jails;

(iv) Police and sheriff stations, apparatus, and facilities;

(v) Firefighting facilities and apparatus;

(vi) Public health facilities and apparatus;

(vii) Hospitals, nursing homes, and ~~similar~~ extended-care other health care facilities;

(viii) Facilities for nonprofit organizations engaged primarily in public health, health systems support, safety, disaster relief, and related activities;

(ix) Residential housing for low and moderate income, elderly, or individuals with disabilities and families;

(x) Parking facilities and garages;

(xi) ~~Educational facilities~~ Animal control facilities and apparatus;

(xii) Economic development facilities;

(xiii) Education and training facilities ~~for public~~

1 employees;

2 (xiv) Auditoriums;

3 (xv) Stadiums and arenas;

4 (xvi) Convention, meeting, or entertainment

5 facilities;

6 (xvii) Ambulance and other emergency medical service

7 facilities;

8 (xviii) Civil defense or early warning facilities

9 and apparatus;

10 (xix) Air and water pollution control facilities;

11 (xx) Drainage and flood control facilities;

12 (xxi) Storm sewers;

13 (xxii) Arts and crafts centers;

14 (xxiii) Museums and related audiovisual facilities;

15 (xxiv) Libraries;

16 (xxv) Public parks, playgrounds, or other public

17 open space;

18 (xxvi) Marinas;

19 (xxvii) Swimming pools, tennis courts, golf courses,

20 camping facilities, gymnasiums, and other recreational facilities;

21 (xxviii) Tourist information and assistance centers;

22 (xxix) Historical, cultural, natural, or folklore

23 sites;

24 (xxx) Fair and exhibition facilities;

25 (xxxi) Streets and street lighting, alleys,

26 sidewalks, roads, bridges, and viaducts;

27 (xxxii) Airports, passenger or freight terminals,

28 hangars, and related facilities;

29 (xxxiii) Barge terminals, ports, harbors, ferries,

30 wharves, docks, and similar marine services;

31 (xxxiv) Slack water harbors, water resource

32 facilities, waterfront development facilities, and navigational facilities;

33 (xxxv) Public transportation facilities;

34 (xxxvi) Public water systems and related

35 transmission and distribution facilities, storage facilities, wells,

36 impounding reservoirs, treatment plants, lakes, dams, watercourses, and water

- 1 rights;
- 2 (xxxvii) Sewage collection systems and treatment
- 3 plants;
- 4 (xxxviii) Maintenance and storage buildings and
- 5 facilities;
- 6 (xxxix) Incinerators;
- 7 (xl) Garbage and solid waste collection disposal,
- 8 compacting, and recycling facilities of every kind;
- 9 (xli) Facilities for the generation, transmission,
- 10 and distribution of television communications;
- 11 (xlii) Gas and electric generation, transmission,
- 12 and distribution systems, including, without limiting the generality of the
- 13 foregoing, hydroelectric generating facilities, dams, powerhouses, and
- 14 related facilities; ~~and~~
- 15 (xliii) Social and rehabilitative service
- 16 facilities; and
- 17 (xliv) Communications facilities and apparatus;
- 18

19 SECTION 5. Arkansas Code § 14-164-324(c), pertaining to local
 20 refunding bonds, is amended to read as follows:

21 (c) ~~Refunding bonds~~ Bonds issued to refund outstanding bonds that were
 22 issued under Arkansas Constitution, Amendment 62, shall in all respects be
 23 authorized, and issued, ~~and secured~~ in the manner provided for the bonds
 24 being refunded, ~~and shall have all the attributes of the refunded bonds.~~
 25 However, if the refunding bonds are not in a greater principal amount than
 26 the bonds being refunded the question of issuing such refunding bonds need
 27 not be submitted at an election.

28
 29 SECTION 6. Arkansas Code § 14-164-327(a), pertaining to the levy of
 30 local sales and use tax for capital improvement bonds, is amended to read as
 31 follows:

32 (a)(1) In lieu of or in addition to the levying of an ad valorem tax
 33 to retire bonds for capital improvement purposes, the legislative body of a
 34 municipality or county may adopt an ordinance levying a local sales and use
 35 tax in the amount of one-eighth of one percent (0.125%), one-fourth of one
 36 percent (0.25%), one-half of one percent (0.5%), three-fourths of one percent

1 (0.75%), or one percent (1%) to retire the bonds in accordance with the terms
2 of this section and §§ 14-164-328 - 14-164-335.

3 (2)(A) The ordinance may levy multiple taxes.

4 (B) However, there shall not be in effect at any one (1)
5 time taxes levied under this subchapter at an aggregate rate greater than one
6 percent (1%).

7
8 SECTION 7. Arkansas Code § 14-164-402(2), pertaining to the definition
9 of capital improvement for local bond issues, is amended to read as follows:

10 (2) "Capital improvements" means any of the following:

11 (A) City or town halls, courthouses, and administrative,
12 executive, or other public offices;

13 (B) ~~court~~ Court facilities;

14 (C) ~~jails~~ Jails;

15 (D) ~~police~~ Police and sheriff stations, apparatus, and
16 facilities;

17 (E) ~~firefighting~~ Firefighting facilities and apparatus;

18 (F) ~~public~~ Public health facilities and apparatus;

19 (G) ~~hospitals~~ Hospitals, nursing homes, and ~~similar~~
20 ~~extended-care~~ other health care facilities;

21 (H) ~~facilities~~ Facilities for nonprofit organizations
22 engaged primarily in public health, health systems support, safety, disaster
23 relief, and related activities;

24 (I) ~~residential~~ Residential housing for low and moderate
25 income, elderly, or individuals with disabilities and families;

26 (J) ~~parking~~ Parking facilities and garages;

27 (K) ~~educational~~ Educational and training facilities ~~for~~
28 ~~public employees~~;

29 (L) ~~auditoriums~~ Auditoriums;

30 (M) ~~stadiums~~ Stadiums and arenas;

31 (N) ~~convention~~ Convention, meeting, or entertainment
32 facilities;

33 (O) ~~ambulance~~ Ambulance and other emergency medical
34 service facilities;

35 (P) ~~civil~~ Civil defense or early warning facilities and
36 apparatus;

- 1 (Q) ~~air~~ Air and water pollution control facilities;
- 2 (R) ~~drainage~~ Drainage and flood control facilities;
- 3 (S) ~~storm~~ Storm sewers;
- 4 (T) ~~arts~~ Arts and crafts centers;
- 5 (U) ~~museums~~ Museums;
- 6 (V) ~~libraries~~ Libraries;
- 7 (W) ~~public~~ Public parks, playgrounds, or other public open
- 8 space;
- 9 (X) ~~marinas~~ Marinas;
- 10 (Y) ~~swimming~~ Swimming pools, tennis courts, golf courses,
- 11 camping facilities, gymnasiums, and other recreational facilities;
- 12 (Z) ~~tourist~~ Tourist information and assistance centers;
- 13 (AA) ~~historical~~ Historical, cultural, natural, or folklore
- 14 sites;
- 15 (BB) ~~fair~~ Fair and exhibition facilities;
- 16 (CC) ~~streets~~ Streets and street lighting, alleys,
- 17 sidewalks, roads, bridges, and viaducts;
- 18 (DD) ~~airports~~ Airports, passenger or freight terminals,
- 19 hangars, and related facilities;
- 20 (EE) ~~barge~~ Barge terminals, ports, harbors, ferries,
- 21 wharves, docks, and similar marine services;
- 22 (FF) ~~slack~~ Slack water harbors, water resource facilities,
- 23 waterfront development facilities, and navigational facilities;
- 24 (GG) ~~public~~ Public transportation facilities;
- 25 (HH) ~~public~~ Public water systems and related transmission
- 26 and distribution facilities, storage facilities, wells, impounding
- 27 reservoirs, treatment plants, lakes, dams, watercourses, and water rights;
- 28 (II) ~~sewage~~ Sewage collection systems and treatment
- 29 plants;
- 30 (JJ) ~~maintenance~~ Maintenance and storage buildings and
- 31 facilities;
- 32 (KK) ~~incinerators~~ Incinerators;
- 33 (LL) ~~garbage~~ Garbage and solid waste collection disposal,
- 34 compacting, and recycling facilities of every kind;
- 35 (MM) ~~gas~~ Gas and electric generation, transmission, and
- 36 distribution systems, including without limiting the generality of the

1 foregoing, hydroelectric generating facilities, dams, powerhouses, and
2 related facilities; ~~and~~

3 (NN) ~~social~~ Social and rehabilitative service facilities;

4 (OO) Animal control facilities and apparatus; and

5 (PP) Communications facilities and apparatus;

6
7 SECTION 8. EMERGENCY CLAUSE. It is found and determined by the
8 General Assembly of the State of Arkansas that the ability of local entities
9 to issue bonds is an important component to the state economy; that laws
10 concerning local capital improvement bonds are in need of immediate
11 clarification in order to allow cities and counties to properly issue bonds
12 for the benefit of the city, county, and state. Therefore, an emergency is
13 declared to exist and this act being immediately necessary for the
14 preservation of the public peace, health, and safety shall become effective
15 on:

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

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

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

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24 APPROVED: 4/05/2005

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