

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

A Bill

SENATE BILL 538

5 By: Senator Maloch
6 By: Representative Holcomb
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING ECONOMIC
10 DEVELOPMENT TAXES AND PUBLIC CORPORATIONS FOR
11 ECONOMIC DEVELOPMENT; TO IMPLEMENT ARKANSAS
12 CONSTITUTION, AMENDMENT 97; TO AMEND THE PROVISIONS
13 CONCERNING ECONOMIC DEVELOPMENT TAXES TO PROVIDE FOR
14 USES OF ECONOMIC DEVELOPMENT TAXES; TO AMEND THE
15 PUBLIC CORPORATIONS FOR ECONOMIC DEVELOPMENT ACT TO
16 PROVIDE FOR THE USE OF ECONOMIC DEVELOPMENT TAXES; TO
17 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
18

Subtitle

19
20
21 TO IMPLEMENT ARKANSAS CONSTITUTION,
22 AMENDMENT 97; TO AMEND THE LAW CONCERNING
23 ECONOMIC DEVELOPMENT TAXES AND PUBLIC
24 CORPORATIONS FOR ECONOMIC DEVELOPMENT;
25 AND TO DECLARE AN EMERGENCY.
26
27

28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
29

30 SECTION 1. DO NOT CODIFY. Legislative findings and intent.

31 (a) The General Assembly finds that economic development would be
32 enhanced if tax funds authorized under § 14-174-103 were permitted to be used
33 for the full extent of the economic development purposes authorized under
34 Arkansas Constitution, Amendment 62, and Arkansas Constitution, Amendment 97.

35 (b) The General Assembly intends for this act to permit economic
36 development tax funds to be used for the purposes authorized under Arkansas



1 Constitution, Amendment 62, and Arkansas Constitution, Amendment 97.

2
3 SECTION 2. Arkansas Code § 14-174-105 is amended to read as follows:
4 14-174-105. Disposition of funds.

5 (a) As used in this section:

6 (1) "Economic development project" means the land, buildings,
7 furnishings, equipment, facilities, infrastructure, and improvements that are
8 required or suitable for the development, retention, or expansion of:

9 (A) Manufacturing, production, and industrial facilities;

10 (B) Research, technology, and development facilities;

11 (C) Recycling facilities;

12 (D) Distribution centers;

13 (E) Call centers;

14 (F) Warehouse facilities;

15 (G) Job training facilities; and

16 (H) Regional or national corporate headquarters
17 facilities;

18 (2) "Economic development service" means:

19 (A) Planning, marketing, and strategic advice and counsel
20 regarding job recruitment, job development, job retention, and job expansion;

21 (B) Supervision and operation of industrial parks or other
22 such properties; and

23 (C) Negotiation of contracts for the sale or lease of
24 industrial parks or other such properties; and

25 (3) "Infrastructure" means:

26 (A) Land acquisition;

27 (B) Site preparation;

28 (C) Road and highway improvements;

29 (D) Rail spur, railroad, and railport construction;

30 (E) Water service;

31 (F) Wastewater treatment;

32 (G) Employee training, which may include equipment for
33 such purpose; and

34 (H) Environmental mitigation or reclamation.

35 (b) The taxes levied pursuant to under this subchapter may be utilized
36 for:

1 (1) For construction, reconstruction, demolition, site
 2 development, contracts, and related costs associated with the creation,
 3 expansion, and rehabilitation of water or sewer systems, streets and roads,
 4 bridges, drainage, and other vital public facilities; ~~or the establishment~~
 5 ~~and operation of~~

6 (2) To establish and operate local economic development
 7 programs;

8 (3) To obtain or appropriate money for a corporation,
 9 association, institution, or individual to:

10 (A) Finance an economic development project; or

11 (B) Provide economic development services; and

12 (4) As a pledge to secure the issuance of bonds under the Local
 13 Government Bond Act of 1985, § 14-164-301 et seq., by a municipality, a
 14 county, or a corporation organized under the Public Corporations for Economic
 15 Development Act, § 14-175-101 et seq.

16
 17 SECTION 3. Arkansas Code § 14-174-109(b), concerning public
 18 corporations for economic development, is amended to read as follows:

19 (b)(1) On receipt from the Director of the Department of Finance and
 20 Administration of the net proceeds of the sales and use tax levied or
 21 authorized under this subchapter, the local government shall deliver all of
 22 the proceeds to the corporation to use in carrying out its functions.

23 (2) However, if the sales and use taxes levied under this
 24 subchapter are pledged to secure the issuance of bonds by a corporation under
 25 § 14-174-105(b)(4), upon approval by resolution of the corporation, the local
 26 government shall hold the proceeds separate and apart in trust, as directed
 27 by the corporation.

28
 29 SECTION 4. Arkansas Code § 14-175-111(b)(7), concerning the powers of
 30 a public corporation for economic development, is amended to read as follows:

31 (7) To contract with private enterprises to carry out industrial
 32 development programs or objectives or to carry out or assist with the
 33 development or operation of an economic development ~~program~~ project or
 34 economic development services, as defined under § 14-174-105, or objectives
 35 consistent with the purposes and duties of the corporation, upon ~~such~~ the
 36 terms and conditions as ~~its~~ the board ~~may deem~~ of the corporation deems

1 advisable and not in conflict with ~~the provisions of~~ this chapter;

2
3 SECTION 5. Arkansas Code § 14-175-112(b), concerning economic
4 development taxes under the Public Corporations for Economic Development Act,
5 is amended to read as follows:

6 (b) ~~No tax~~ Tax proceeds received by a corporation under § 14-174-101
7 et seq. ~~may~~ shall not be used for a project for the direct benefit of a
8 specific individual or individuals or nongovernmental enterprise or
9 enterprises unless the primary purpose of the project is to finance
10 ~~facilities for the securing and developing of industry~~ an economic
11 development project or provide an economic development service within or near
12 the local government that levies the tax, as provided under § 14-174-105.

13
14 SECTION 6. EMERGENCY CLAUSE. It is found and determined by the
15 General Assembly of the State of Arkansas that the state has been
16 disadvantaged by its inability to effectively compete for economic
17 development projects and economic development services; that attracting and
18 developing economic development projects and economic development services
19 would significantly benefit the economic development of the state by
20 providing increased payrolls, job opportunities, and tax income; that the
21 citizens of the state recognized the missed opportunities caused by this
22 competitive disadvantage by overwhelmingly approving Arkansas Constitution,
23 Amendment 97; and that this act is immediately necessary to effectuate the
24 will of the citizens of Arkansas and to position the state to act
25 expeditiously in securing economic development projects and economic
26 development services. Therefore, an emergency is declared to exist, and this
27 act being immediately necessary for the preservation of the public peace,
28 health, and safety shall become effective on:

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

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

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

35
36 APPROVED: 03/27/2017