

HOUSE AMENDMENT 1 TO HB1521.

deleting "Industrial" from line 4 on page 2 and substituting therefor: "~~Industrial~~
Economic"

and
by deleting "Industrial" from line 14 on page 5 and substituting therefor: "~~Industrial~~
Economic"

and
by deleting "Industrial" from line 32 on page 6, and substituting therefor: "~~Industrial~~
Economic"

by deleting "Industrial" from line 15 on page 7 and substituting therefor: "~~Industrial~~
Economic"

and
by deleting "19-5-302(6)(A)" from line 33 on page 12 and substituting therefor: "19-5-
302(6)"

and
by deleting "Industrial" from line 34 on page 12 and substituting therefor: "~~Industrial~~
Economic"

and
by deleting "Industrial" from line 35 on page 12 and substituting therefor: "~~Industrial~~
Economic"

and
by deleting "Industrial" from line 1 on page 13 and substituting therefor: "~~Industrial~~
Economic"

and
by deleting "Industrial" from line 5 on page 13 and substituting therefor: "~~Industrial~~
Economic"

and
by deleting the quotation mark at the end of line 5 on page 13

and

by inserting an additional subsection to begin on line 6 on page 13 to read as follows:

"(B) The fund account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services performed by the various divisions of the Department of ~~Industrial~~ Economic Development; and

(iii) Any other funds that may be provided by law. _"

and

by deleting "Industrial" from line 23 on page 14 and substituting therefor: "~~Industrial~~ Economic"

and

by deleting "Industrial" from line 24 on page 14 and substituting therefor: "~~Industrial~~ Economic"

and

by deleting "Industrial" from line 29 on page 14 and substituting therefor: "~~Industrial~~ Economic"

and

by deleting Section 49 on page 14 and substituting therefor the following:

"SECTION 49. Arkansas Code 25-11-101 is amended to read as follows:

_§ 25-11-101. Creation - Director - Organization - Personnel.

(a) There is created a Department of ~~Industrial~~ Economic Development.

(b) The executive head of the department shall be the Director of the Department of ~~Industrial~~ Economic Development. The director shall be appointed by the Governor, with the advice of the Arkansas ~~Industrial~~ Economic Development Commission and the consent of the Senate, and shall serve at the pleasure of the Governor.

(c) The Department of ~~Industrial~~ Economic Development shall consist of the divisions which may be necessary to fulfill its purposes and which may be created by law and placed under the Department of ~~Industrial~~ Economic Development.

(d) The Director of the Department of ~~Industrial~~ Economic Development, with the advice and consent of the Governor, shall appoint the heads of the respective divisions. All other personnel of the Department of ~~Industrial~~ Economic Development shall be employed by and shall serve at the pleasure of the Director of the Department of ~~Industrial~~ Economic Development. However, nothing in this section shall be so construed as to reduce any right which an employee of the Department of ~~Industrial~~ Economic Development shall have under any civil service or merit system.

(e) Each division of the Department of ~~Industrial~~ Economic Development shall be under the direction, control, and supervision of the director of the department. The

director may delegate his functions, powers, and duties to various divisions of the Department of ~~Industrial~~ Economic Development as he shall deem desirable and necessary for the effective and efficient operation of the department. _"

and

by inserting additional sections immediately following Section 62 to read as follows:

"SECTION 63. Arkansas Code 14-206-105(a) (1) is amended to read as follows:

_ (a) (1) Each application shall be accompanied by proof of service of a copy of the application on the gas or electric public utility which owns the property and on the director or other administrative head of the following state agencies or departments:

(A) Department of Pollution Control and Ecology;

(B) Department of ~~Industrial~~ Economic Development;

(C) Department of Finance and Administration;

(D) Arkansas Energy Office;

(E) Attorney General;

(F) Any school district or other political subdivision of this state that is the recipient of real and personal property taxes in which any of the gas or electric utility properties to be acquired by the municipality may be located; and

(G) Any other state agency or department or political subdivision of this state designated by commission regulation or order. _

SECTION 64. Arkansas Code 15-4-203(a) (2) is amended to read as follows:

_ (2) The Director of the Department of ~~Industrial~~ Economic Development shall be ex officio secretary of the commission but shall have no vote on matters coming before it. _

SECTION 65. Arkansas Code 15-4-205 is amended to read as follows:

_ § 15-4-205. Department of ~~Industrial~~ Economic Development - Information and investigations.

(a) The objects and purposes of the Department of ~~Industrial~~ Economic Development shall be to:

(1) Gather and assemble information, make investigation, compile statistics and data in respect to the natural and agricultural resources within the State of Arkansas, and catalogue and publish the same in any form deemed helpful in the development of the resources;

(2) Distribute the information in a manner or form appropriate for the promotion of industrial enterprise within the State of Arkansas or the procuring of locations within the State of Arkansas of manufacturing or processing enterprises for the development of natural resources;

(3) Foster and encourage the development of industrial utilization of agricultural and mineral products of the State of Arkansas, and in general to encourage

helpful industries within the state.

(b) The department shall perform such other duties in the field of agriculture and industry as may be consistent with the purposes of this act._

SECTION 66. Arkansas Code 15-4-207 and 208 are amended to read as follows:

_§ 15-4-207. Department - Duties regarding tax exemption to industries.

The Department of ~~Industrial~~ Economic Development shall be the official state agency to act with the Governor in carrying out the provisions of Arkansas Constitution, Amendment 27, which provides for the granting of a limited exemption of state taxes to new manufacturing or processing investments in Arkansas for a period of from one (1) to ten (10) years.

§ 15-4-208. Department - Cooperation with other states and federal government.

The Department of ~~Industrial~~ Economic Development is empowered to cooperate with similar agencies existing in other states, with the several federal departments, and with other boards, commissions, and departments of the state government. Cooperation shall be for the purpose of coordinating laws, rules, and regulations governing the interstate movement of all agricultural products and articles of commerce relating thereto, with the view of properly safeguarding Arkansas against plant and animal diseases, insects, and pests and at the same time endeavoring to eliminate the trade barriers that have arisen between states._

SECTION 67. Arkansas Code 15-4-212(b) is amended to read as follows:

(b) The commission shall, through its chairman and director, certify to the Governor, in duplicate, its proposal for any such sale. The Governor, if he approves the proposal, shall endorse his approval upon both copies of the certificate and return one (1) copy thereof to the Director of the Department of ~~Industrial~~ Economic Development, and he shall at the same time appoint a committee of appraisers to appraise the property, with notice thereof to the Director of the Department of ~~Industrial~~ Economic Development. He may similarly fill any vacancy occurring on the committee.

SECTION 68. Arkansas Code 15-4-212(e) is amended to read as follows:

(e) After they shall have made their appraisal of the property, they shall append to each copy of their affidavit a statement of their appraisal over their signature. They shall deliver both copies of the affidavit, with such statement appended thereto, to the Governor. The Governor, if he continues to approve the proposed sale of the property, as so appraised, shall endorse such approval upon both copies of the affidavit and statement. He shall transmit one (1) copy to the Director of the Department of ~~Industrial~~ Economic Development.

SECTION 69. Arkansas Code 15-4-301(1) is amended to read as follows:

(1) Division means the Division of Minority Business Enterprise of the Department of ~~Industrial~~ Economic Development;

SECTION 70. Arkansas Code 15-4-302 is amended to read as follows:

_§ 15-4-302. Creation.

The Division of Minority Business Enterprise:

(1) Is established and confirmed within the Department of ~~Industrial~~ Economic Development under the jurisdiction of the Arkansas ~~Industrial~~ Economic Development Commission;

(2) Shall be operated as a division within the Department of ~~Industrial~~ Economic Development; and

(3) Shall perform the functions and duties as provided in this subchapter._

SECTION 71. Arkansas Code 15-4-403(3) is amended to read as follows:

(3) Division shall mean the Division of Minority Business Enterprise within the Department of ~~Industrial~~ Economic Development; and

SECTION 72. Arkansas Code 15-4-404 is amended to read as follows:

_§ 15-4-404. Promulgation of rules and regulations generally.

The commission shall promulgate rules, regulations, and procedures to be followed by the Division of Minority Business Enterprise within the Department of ~~Industrial~~ Economic Development in administering the provisions of this subchapter and in the making of loans to small business investment companies, or to be followed in the purchase from the companies of loans made to small business concerns in compliance with the provisions of this subchapter._

SECTION 73. Arkansas Code 15-4-406 is amended to read as follows:

_§ 15-4-406. Authority to issue revenue bonds - Loan funds.

To stimulate the flow of private funds for capital improvements to small business concerns, the commission is authorized to:

(1) Issue revenue bonds to obtain funds to be administered through the Division of Minority Business Enterprise within the Department of ~~Industrial~~ Economic Development to make investment loans to small business concerns insured by the Small Business Administration of the federal government; and

(2) Provide funds whereby the Division of Minority Business Enterprise may purchase from small business investment companies small business enterprise loans for capital improvements and expansions guaranteed by the Small Business Administration thereby making available to such small business investment companies additional loan funds._

SECTION 74. Arkansas Code 15-4-516 is amended to read as follows:

§ 15-4-516. Statement required prior to borrowing money, issuing bonds, etc.

When any corporation organized under the provisions of this act desires to borrow money or to issue bonds or other obligations, it shall furnish to the commission a statement. Included in this statement shall be the amount proposed to be borrowed, the purpose for which the money is to be used, the proposed maturity of the indebtedness, a description of the property to be mortgaged and the income to be pledged as security therefor, and such other information as the commission may require. The corporation shall not sell any bonds or other obligations until after the commission has issued its approval thereof in writing, signed by the chairman or the Director of the Department of ~~Industrial~~ Economic Development, and bearing the seal of the commission.

SECTION 75. Arkansas Code 15-4-519 is amended to read as follows:

§ 15-4-519. Validity of bonds, notes, etc.

No bond, note, or other interest-bearing obligation of any corporation issued under the provisions of this act shall be valid until countersigned by the chairman of the commission or, in his absence, and upon the direction of the commission or, upon the direction of the chairman of the commission, by the Director of the Department of ~~Industrial~~ Economic Development.

SECTION 76. Arkansas Code 15-4-522(c) is amended to read as follows:

(c) All refunding obligations shall bear a certificate signed by the chairman or the Director of the Department of ~~Industrial~~ Economic Development that the indebtedness which is refunded has been cancelled.

SECTION 77. Arkansas Code 15-4-706(a) is amended to read as follows:

(a) The bonds shall be executed by the facsimile signature of the chairman of the commission and by the manual signature of the Director of the Department of ~~Industrial~~ Economic Development.

SECTION 78. Arkansas Code 15-4-915(c) is amended to read as follows:

(c) In addition to the directors elected by the holders of common stock of a development finance corporation, the Director of the Department of ~~Industrial~~ Economic Development, the President of the Arkansas Development Finance Authority, and the Executive Director of the Arkansas Science and Technology Authority, or persons holding similar executive positions in any agency or instrumentality succeeding thereto, shall be ex officio members of the board of directors of each corporation created under this subchapter. Ex officio directors shall have all rights, duties, and obligations of a director except that their terms of office shall be concurrent with their employment in

the position by the respective agencies and shall be deemed to have resigned as a director of the corporation when such employment is terminated. The successor to such person shall become a director without further action by the board of directors upon receipt of written notice by the president of the corporation from the chairman of the board or commission of the respective agency that such person has become so employed. It shall not be necessary to amend the articles of incorporation of any development finance corporation organized and existing prior to the enactment of this provision, and the provisions of this subsection shall be applicable to all such corporations on March 27, 1985. _

SECTION 79. Arkansas Code 15-4-1008(a) is amended to read as follows:

_ (a) In addition to the directors elected by the holders of common stock of a capital development corporation, the Director of the Department of ~~Industrial~~ Economic Development, the President of the Arkansas Development Finance Authority, and the Executive Director of the Arkansas Science and Technology Authority, or persons holding similar executive positions in any agency or instrumentality succeeding thereto, shall be ex officio members of the board of directors of each corporation created under this subchapter. _

SECTION 80. Arkansas Code 15-4-1102(a) is amended to read as follows:

_ (a) To claim the benefits of this section, a taxpayer must obtain a certification from the Director of the Department of ~~Industrial~~ Economic Development certifying to the Revenue Division of the Department of Finance and Administration that the taxpayer:

(1) Operates a steel mill in Arkansas which began production after February 16, 1987; and

(2) Has invested, after February 16, 1987, in excess of one hundred twenty million dollars (\$120,000,000) in the steel mill, which investment expenditure is for one (1) of the following:

(A) Property purchased for use in the construction of a building or buildings or any addition or improvement thereon to house the steel mill;

(B) Machinery and equipment to be located in or in connection with the steel mill. Motor vehicles of a type subject to registration shall not be considered as machinery and equipment;

(C) Project planning costs or construction labor costs, including on-site direct labor and supervision, whether employed by a contractor or the project owner; architectural fees, engineering fees, or both; right-of-way purchases; utility extensions; site preparation; parking lots; disposal or containment systems; water and sewer treatment systems; rail spurs; streets and roads; purchase of mineral rights; land; buildings; building renovation; production, processing, and testing equipment; freight charges; building demolition; material handling equipment; drainage systems; water tanks and reservoirs; storage facilities; equipment rental; contractor's cost plus fees;

builders' risk insurance; original spare parts; job administrative expenses; office furnishings and equipment; rolling stock; capitalized start-up costs as recognized by generally accepted accounting principles; and other costs related to the construction._

SECTION 81. Arkansas Code 15-4-1104(b) is amended to read as follows:

(b) A taxpayer who qualifies pursuant to the certification provisions of § 26-52-902(c) shall be entitled to the benefits of this section and §§ 26-52-901 - 26-52-903 only if the certification is issued by the Director of the Arkansas Department of ~~Industrial~~ Economic Development prior to July 1, 1989.

SECTION 82. Arkansas Code 15-4-1502(b) is amended to read as follows:

(b) The commission shall include eight (8) members who shall be appointed by the Governor, subject to confirmation by the Arkansas Senate. The three (3) remaining members of the commission shall be the Director of the Department of ~~Industrial~~ Economic Development, the President of the Arkansas Development Finance Authority, and the Chief Fiscal Officer of the State of Arkansas.

SECTION 83. Arkansas Code 15-4-1503(b) is amended to read as follows:

(b) The Director of the Department of ~~Industrial~~ Economic Development shall be ex officio secretary of the commission, and the Department of ~~Industrial~~ Economic Development shall provide staff support as required for the administration and operation of the commission.

SECTION 84. Arkansas Code 15-4-1507(c) (1) is amended to read as follows:

(c) (1) The Director of the Department of ~~Industrial~~ Economic Development shall enter into an agreement with each successful applicant or special target applicant that shall include the specific terms and conditions of the financial assistance to be provided.

SECTION 85. Arkansas Code 15-4-1602(3) is amended to read as follows:

(3) Department means the Department of ~~Industrial~~ Economic Development;

SECTION 86. Arkansas Code 15-4-1702(3) and (4) are amended to read as follows:

_(3) Department means the Department of ~~Industrial~~ Economic Development;

(4) Director is the Director of the Department of ~~Industrial~~ Economic Development;_

SECTION 87. Arkansas Code 15-4-1902(3) is amended to read as follows:

(3) Department means the Department of ~~Industrial~~ Economic Development;

SECTION 88. Arkansas Code 23-18-513(a) is amended to read as follows:

_(a) Each application for a certificate of environmental compatibility and public need shall be accompanied by proof of service of a copy of the application on:

- (1) The mayor of each municipality;
- (2) The county judge;
- (3) The chairman of the county planning board, if any;
- (4) Any head of a governmental agency charged with the duty of protecting the

environment or of planning land use upon which the commission has by regulation or order directed service be made, in the area in which any portion of such facility is to be located, both as primarily and as alternatively proposed;

(5) Each member of the General Assembly in whose district the facility or any alternative location listed in the application is to be located;

(6) The office of the Governor; and

(7) The director or other administrative head of the following state agencies or departments:

(A) Department of Pollution Control and Ecology;

(B) Department of Health;

(C) Department of ~~Industrial~~ Economic Development;

(D) Arkansas State Highway and Transportation Department;

(E) Arkansas Game and Fish Commission;

(F) Arkansas Natural Heritage Commission;

(G) Any state agency which may have authority to assist in financing the applicant's facility;

(H) Any other state agency or department which manages or has jurisdiction over state-owned lands on which all or part of the proposed utility facility is to be, or may be, located;

(I) Department of Finance and Administration;

(J) State Energy Conservation and Policy Office;

(K) Attorney General;

(L) Any other state agency or department designated by commission regulation or order._

SECTION 89. Arkansas Code 26-51-1202(a) is amended to read as follows:

_(a) To claim the benefits of §§ 26-51-1201 - 26-51-1203, a taxpayer must obtain a certification from the Director of the Arkansas Department of ~~Industrial~~ Economic Development certifying to the Revenue Division of the Department of Finance and Administration that the taxpayer:

(1) Operates a steel mill in Arkansas which began production after February 16, 1987; and

(2) Has invested, after February 16, 1987, in excess of one hundred twenty million dollars (\$120,000,000) in the steel mill, which investment expenditure is for one

(1) of the following:

- (A) Property purchased for use in the construction of a building or buildings or any addition or improvement thereon to house the steel mill;
- (B) Machinery and equipment to be located in or in connection with the steel mill. Motor vehicles of a type subject to registration shall not be considered as machinery and equipment; or
- (C) Project planning costs or construction labor costs, including on-site direct labor and supervision, whether employed by a contractor or the project owner; architectural fees, engineering fees, or both; right-of-way purchases; utility extensions; site preparation; parking lots; disposal or containment systems; water and sewer treatment systems; rail spurs; streets and roads; purchase of mineral rights; land; buildings; building renovation; production, processing, and testing equipment; freight charges; building demolition; material handling equipment; drainage systems; water tanks and reservoirs; storage facilities; equipment rental; contractor's cost plus fees; builders risk insurance; original spare parts; job administrative expenses; office furnishings and equipment; rolling stock; capitalized start-up costs as recognized by generally accepted accounting principles; and other costs related to the construction.

SECTION 90. Arkansas Code 26-51-1212 is amended to read as follows:

§ 26-51-1212. Certification required - Contents.

To claim the benefits of §§ 26-51-1211 - 26-51-1214, a taxpayer must obtain certification prior to June 30, 1994, from the director of the Arkansas Department of ~~Industrial~~ Economic Development certifying to the Revenue Division of the Department of Finance and Administration that:

- (1) The taxpayer is a "qualified manufacturer of steel" as defined in § 26-51-1211; or
- (2) (A) The taxpayer operates a steel mill in Arkansas which began production after February 13, 1991; and
 - (B) The taxpayer has invested, after February 13, 1991, in excess of one hundred twenty million dollars (\$120,000,000) in the steel mill, which investment expenditure is for one of the following:
 - (i) Property purchased for use in the construction of a building or buildings or any addition or improvement thereon to house the steel mill;
 - (ii) Machinery and equipment to be located in or in connection with the steel mill. Motor vehicles of a type subject to registration shall not be considered as machinery and equipment;
 - (iii) Project planning costs; construction labor costs, including on-site direct labor and supervision, whether employed by a contractor or the project owner; architectural or engineering fees; right-of-way purchases; utility extensions; site preparation; parking lots; disposal or containment systems; water and sewer treatment

systems; rail spurs; streets and roads; purchase of mineral rights; land; buildings; building renovation; production, processing, and testing equipment; freight charges; building demolition; material handling equipment; drainage systems; water tanks and reservoirs; storage facilities; equipment rental; contractor's cost plus fees; builders risk insurance; original spare parts; job administration expenses; office furnishings and equipment; rolling stock; capitalized start-up costs as recognized by generally accepted accounting principles; and other costs related to the construction._

SECTION 91. Arkansas Code 26-52-902(c) is amended to read as follows:

(c) To claim the benefits of § 26-52-903, a taxpayer must be certified pursuant to subsection (a) of this section or obtain a certification from the Director of the Arkansas Department of ~~Industrial~~ Economic Development certifying to the Revenue Division of the Department of Finance and Administration that the taxpayer meets the definition of "qualified manufacturer of steel" contained in § 26-52-901.

SECTION 92. Arkansas Code 26-52-912 is amended to read as follows:

_§ 26-52-912. Certification required - Contents.

To claim the benefits of §§ 26-52-911 - 26-52-914, a taxpayer must obtain certification prior to June 30, 1994, from the Director of the Arkansas Department of ~~Industrial~~ Economic Development certifying to the Revenue Division of the Department of Finance and Administration that:

(a) The taxpayer is a "qualified manufacturer of steel" as defined in § 26-52-911; or

(b) (1) The taxpayer operates a steel mill in Arkansas which began production after February 13, 1991; and

(2) The taxpayer has invested, after February 13, 1991, in excess of one hundred twenty million dollars (\$120,000,000) in the steel mill, which investment expenditure is for one of the following:

(A) Property purchased for use in the construction of a building or buildings or any addition or improvement thereon to house the steel mill;

(B) Machinery and equipment to be located in or in connection with the steel mill. Motor vehicles of a type subject to registration shall not be considered as machinery and equipment;

(C) Project planning costs; construction labor costs, including on-site direct labor and supervision whether employed by a contractor or the project owner; architectural or engineering fees; right-of-way purchases; utility extensions; site preparation; parking lots; disposal or containment systems; water and sewer treatment systems; rail spurs; streets and roads; purchase of mineral rights; land; buildings; building renovation; production, processing, and testing equipment; freight charges; building demolition; material handling equipment; drainage systems; water tanks and

reservoirs; storage facilities; equipment rental; contractor's cost plus fees; builders risk insurance; original spare parts; job administration expenses; office furnishings and equipment; rolling stock; capitalized start-up costs as recognized by generally accepted accounting principles; and other costs related to the construction._"

and

by appropriately renumbering the subsequent sections of the bill