

ARKANSAS SENATE
85th General Assembly - Regular Session, 2005
Amendment Form

JBC 04/04/05 (1)

Subtitle of Senate Bill No. 78

"AN ACT FOR THE DEPARTMENT OF ECONOMIC DEVELOPMENT APPROPRIATION
FOR THE 2005-2007 BIENNIUM."

Amendment No. 2 to Senate Bill No. 78.

Amend Senate Bill No. 78 as engrossed, S3/21/05 (version: 03-21-2005 17:21)

Insert additional sections immediately following SECTION 32 to read as follows:

" SECTION 33. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TRANSFER OF FUNDS. Immediately upon the effective date of this Act, the Chief Fiscal Officer of the State shall transfer on his books and those of the State Treasurer and the Auditor of State all remaining balances held in the Industry and Aerospace Development Fund to the Executive Discretionary Division of the 85th Session Projects Account within the General Improvement Fund, or its successor fund or fund accounts, for the sole benefit of the Department of Economic Development for providing funding for grants to cities and counties to provide financial assistance necessary to undertake public works projects and/or job training efforts which support private sector job creation opportunities, alleviate conditions which constitute a threat to public health and well being, or partially defray the costs of providing access to publicly owned industrial parks; and for expansion of the aircraft and aerospace industry, and for port and waterway economic development projects.

SECTION 34. Arkansas Title 15, Chapter 4, Subchapter 15 is repealed.
~~15-4-1501. Creation.~~

~~There is created and established at the seat of government of this state a commission to be known as the "Arkansas Aviation and Aerospace Commission", hereinafter referred to as the "commission".~~

~~15-4-1502. Members.~~

~~(a) The Arkansas Aviation and Aerospace Commission shall consist of thirteen (13) members who shall be residents and qualified electors of this state.~~

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



~~the Chief Fiscal Officer of the State.~~

~~(c) The Governor shall appoint two (2) members from each congressional district as the districts were constituted at the time of the passage of this subchapter.~~

~~(d) The eight (8) members so appointed by the Governor shall be representatives of the private sector of the state, and four (4) of the members so appointed shall be persons with knowledge and experience in the fields of:~~

- ~~(1) Aviation and aerospace manufacturing, operation, or repair;~~
- ~~(2) Banking and finance;~~
- ~~(3) Business and industry; and~~
- ~~(4) Education.~~

~~(e) There shall be one (1) member appointed by the President Pro Tempore of the Senate and one (1) member appointed by the Speaker of the House of Representatives.~~

~~(f)(1) Members appointed by the Governor shall serve for terms of four (4) years each.~~

~~(2) Members appointed by the Speaker of the House of Representatives and President Pro Tempore of the Senate shall serve two-year terms.~~

~~(3) Members shall hold office for the terms of their appointments and until their successors shall have been appointed and qualified.~~

~~(g) In the event of a vacancy in the membership of the commission, the vacancy shall be filled by appointment by the appointing authority for the remainder of the unexpired portion of the term of the member.~~

~~(h) A member of the commission may be removed by the appointing authority for cause stated in writing after a hearing thereon or upon joint address by a majority of both houses of the General Assembly at a special or regular session thereof.~~

~~(i) Members of the commission shall serve without pay but may receive expense reimbursement in accordance with § 25-16-901 et seq.~~

~~15-4-1503. Organization and meetings.~~

~~(a) Members shall annually elect from their membership one (1) member as chair and one (1) member as vice chair.~~

~~(b) The Director of the Department of Economic Development shall be ex officio Secretary of the Arkansas Aviation and Aerospace Commission, and the Department of Economic Development shall provide staff support as required for the administration and operation of the commission.~~

~~(c) The commission shall adopt and may modify rules for the conduct of its business and shall keep a public record of its transactions, findings, and determinations.~~

~~(d) The rules shall provide for regular meetings and for special meetings at the call of the chair or upon the request of at least five (5) members.~~

~~(e) A quorum shall consist of not fewer than eight (8) members present at any regular or special meeting, and an affirmative vote of that number shall be necessary for the disposition of any business.~~

~~15-4-1504. Objectives and purposes.~~

~~The objectives and purposes of the Arkansas Aviation and Aerospace Commission shall be to:~~

- ~~(1) Foster and encourage the establishment, location, expansion, and development of the aviation and aerospace industry in the state;~~
- ~~(2) Create new job opportunities for Arkansas citizens at wage scales which are greater than the state average for manufacturing industries;~~
- ~~(3) Assign resources to educate and train Arkansas citizens to a new and higher level of skills for high technology industries;~~
- ~~(4) Provide competitive inducements to attract new and expanding aviation and aerospace employers;~~
- ~~(5) Assist in building and equipping new or expanded aviation and aerospace manufacturing and infrastructure facilities within the state; and~~
- ~~(6) Aid local and regional governmental entities in the establishment, location, expansion, and development of aviation and aerospace industries in all regions of the state.~~

~~15-4-1505. Functions, powers, and duties.~~

~~(a) The Arkansas Aviation and Aerospace Commission shall have and be subject to all functions, powers, and duties imposed upon it by this subchapter.~~

~~(b) For the purpose of regulating its own procedures and carrying out its functions, the commission shall have the authority from time to time to make, amend, and enforce all reasonable rules or regulations not inconsistent with law which will aid in the performance of any of the functions, powers, or duties conferred or imposed upon it by law.~~

~~(c) The commission may purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, sell, exchange, and use any and all real or personal property or any interest therein.~~

~~(d) It shall be the function, power, and duty of the commission to administer the fund known as the "Arkansas Aviation and Aerospace Industry Development Fund", hereinafter "fund".~~

~~(e) The Secretary of the Arkansas Aviation and Aerospace Commission shall provide quarterly reports to the Chief Fiscal Officer of the State regarding failure of any recipient of funds to comply with the terms of any disbursement agreement, the criteria set out in this subchapter, or any rule or regulation promulgated by the Chief Fiscal Officer of the State with regard to the fund.~~

~~15-4-1506. Receipt of loans and financial assistance.~~

~~(a) Any entity of local government or airport authority, hereinafter the "applicant", who qualifies under the criteria provided in this subchapter and other criteria as determined by the Arkansas Aviation and Aerospace Commission, may receive loans or other financial assistance from the Arkansas Aviation and Aerospace Industry Development Fund for expenses related to establishment, relocation, expansion, or development of aviation and aerospace industries in the State of Arkansas.~~

~~(b) Any governing body of a municipal airport wherein is located a military installation slated for closure or any governing body of a municipal airport located within thirty (30) miles of a military installation slated for closure by the Federal Base Realignment and Closure Commission, provided that the military installation exceeds thirty thousand (30,000) acres of total land area, for which the governing body has received a federal grant for development of the municipal airport, shall hereinafter be referred to as a "special target applicant" and may receive loans or other financial assistance from the fund for expenses related to establishment, relocation,~~

~~expansion, or development of aviation and aerospace industries without qualifying for all the criteria required in this subchapter.~~

~~15-4-1507. Loan criteria.~~

~~(a) The Arkansas Aviation and Aerospace Commission shall have the authority to determine the structure, amount, and nature of any loan or other financial assistance from the fund, subject to the following criteria, except that special target applicants do not have to meet the criteria in subdivisions (a)(1) and (2) of this section:~~

~~(1) The applicant shall provide certification that not fewer than fifty (50) net new full time equivalent jobs will be created as a result of the financial assistance provided under this subchapter;~~

~~(2) The applicant shall provide certification that the jobs created shall generate a quarterly average weekly wage per employee equal to or greater than one hundred ten percent (110%) of the state average weekly wage per employee for manufacturing industries for the immediately preceding calendar year as reported in the Covered Employment and Earnings report published by the Arkansas Employment Security Department; and~~

~~(3) Any applicant or special target applicant receiving financial assistance from the Arkansas Aviation and Aerospace Industry Development Fund shall make available to the commission such employee and wage information as may be required by the commission to verify compliance with the requirements of this section.~~

~~(b)(1) The commission shall establish procedures to quantify the benefit and return to this state and its citizens from the provision of financial assistance from the fund.~~

~~(2) The commission shall establish as a goal the return of any state investment made under this subchapter within eight (8) years of the provision of financial assistance.~~

~~(3) The state's return shall be measured using the following criteria:~~

- ~~(A) Number of jobs;~~
- ~~(B) Level of pay per job;~~
- ~~(C) Company's capital investment;~~
- ~~(D) Length of commitment of jobs by the company;~~
- ~~(E) Training and educational needs;~~
- ~~(F) "Take back" provisions;~~
- ~~(G) Public and private participation in project funding;~~

~~and~~

~~(H) Other criteria as established by the commission.~~

~~(4) In applying the formula, the commission shall determine that funding the project will result in economic activity within the state that provides a revenue neutral or revenue positive impact on the state's current general revenues.~~

~~(5) Special target applicants do not have to meet the criteria specified in this subsection to measure the return to the state or to meet the goal of a return of any state investment within eight (8) years.~~

~~(c)(1) The Director of the Department of 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.~~

~~(2) These terms shall include a "take-back" provision in the~~

~~event the applicant fails to meet the terms of the agreement.~~

~~(3) Any legal recourse set out by this section shall be pursued by the Chief Fiscal Officer of the State.~~

~~(d)(1) Any applicant or special target applicant receiving assistance from the fund shall be liable to repay any assistance received if it does not comply with:~~

~~(A) The terms of any disbursement agreement;~~

~~(B) The criteria set out in this subchapter, except when special target applicants are exempt; and~~

~~(C) Any rule or regulation promulgated by the Chief Fiscal Officer of the State with regard to the fund.~~

~~(2) The repayment shall be made to the Chief Fiscal Officer of the State and credited to the fund.~~

~~(3) The Chief Fiscal Officer of the State may bring any lawful action to recover any amount for which the recipient is liable.~~

~~15-4-1508. Enterprise zone benefits.~~

~~Any industry which locates a facility at a municipal airport which qualifies as a special target applicant under § 15-4-1506 shall be entitled to the benefits of the Arkansas Enterprise Zone Act of 1993, § 15-4-1701 et seq., for that facility, regardless of whether the industry would otherwise qualify for the benefits of the Arkansas Enterprise Zone Act of 1993, § 15-4-1701 et seq. "~~

AND appropriately renumber the SECTION numbers in the bill.

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

By: Senator Malone

MAH/MAH - 04-04-2005 18:40

MAH661

Secretary