

Hall of the House of Representatives
87th General Assembly - Regular Session, 2009
Amendment Form

Subtitle of House Bill No. 2206

"TO UTILIZE PROVISIONS OF AMENDMENT 7 OF THE ARKANSAS CONSTITUTION TO
ADDRESS ANTIQUATED LANGUAGE IN AMENDMENT 65 OF THE ARKANSAS
CONSTITUTION CONCERNING THE INTEREST RATE LIMIT ON REVENUE BONDS."

Amendment No. 1 to House Bill No. 2206.

Amend House Bill No. 2206 as originally introduced:

Page 1, delete lines 26 and 27 and substitute the following:

"SECTION 1. DO NOT CODIFY. Legislative findings.

The General Assembly declares that as a result of the downturn in the economy and the resulting efforts by the federal government to stimulate the economy, the interest rates have been lowered to such an extent that governmental units at all levels in the state are unable to finance public works projects. Under § 4 of Amendment 65 of the Arkansas Constitution, the interest rate on revenue bonds cannot exceed five percent (5%) per annum above the Federal Reserve Discount Rate at the time of the contract. As a result of the lowered interest rates, the interest rate that the governmental units can establish on revenue bonds is insufficient to sell the bonds. Therefore, capital projects required to protect the public safety and provide for the general welfare of the residents of Arkansas cannot be pursued. These projects include the construction of new schools, the renovation of deteriorating schools, the construction of incarceration facilities, road improvement projects, health care facilities, and other projects directly related to improving the lives of Arkansans.

It is determined that the previous and current conditions of the economy require the General Assembly to take corrective action to address the severe situation governmental entities are finding themselves in. The General Assembly also declares that under § 1 of Article 5 of Amendment 7 to the Arkansas Constitution, a measure is defined to include any bill, law, resolution, ordinance, charter, constitutional amendment, or legislative proposal or enactment of any character. This section also provides in part that a measure approved by a vote of the people shall not be amended or repealed by the General Assembly except upon a yea and nay vote on roll call of two-thirds majority of all the members elected to each house of the General Assembly. It is further declared that Amendment 65 was enacted under the provisions of § 1 of Article 5 of Amendment 7 to the Arkansas Constitution and as such is a measure as defined under that constitutional



provision. The initiative was adopted at the general election on November 4, 1986, by a vote of 318,894 for and 275,877 against. Therefore, it is determined that without immediate relief from the limits on the interest rates on revenue bonds, the governmental units of the state will be unable to obtain adequate funding to meet the needs of Arkansans.

SECTION 2. Section 4 of Amendment 65 to the Constitution of Arkansas is amended to read as follows:"

AND

Page 1, line 31, delete "authorized" and substitute "~~authorized~~"

AND

Page 1, delete line 36 and substitute the following:
"Constitution of the State of Arkansas.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly that as a result of the economic downturn of the United States and Arkansas economies, governmental units in the state are unable to finance capital improvement projects necessary to meet the needs of the state and that without immediate relief from the interest rate limits to obtain funding for these projects, the citizens of this state will suffer irreparable harm to their health and well-being. This bill shall immediately provide governmental units with the ability to pursue projects necessary to ensure the public safety, health, and welfare of its citizens. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

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

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

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

AND

Appropriately renumber the sections of the bill

The Amendment was read _____
By: Representative Everett
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Chief Clerk