

State of Arkansas

76th General Assembly

Regular Session, 1987

HOUSE BILL 1955

By: Representatives Teague and Doramus

"AN ACT TO REPEAL ACT 638 OF 1967, AS AMENDED, AND ACT 143 OF 1969 [ARK. STATS. 75-2101 THROUGH 75-2116], THE MOTOR VEHICLE INSPECTION LAW; TO LEVY AN ADDITIONAL ANNUAL MOTOR VEHICLE REGISTRATION FEE OF ONE DOLLAR AND TWENTY-FIVE CENTS (\$1.25) ON EACH MOTOR VEHICLE REQUIRED TO BE REGISTERED AND LICENSED IN THIS STATE; TO AMEND SECTIONS 7 AND 9 OF ACT 490 OF 1977, AS AMENDED, AND TO AMEND SECTIONS 9, 10 AND 14 OF ACT 458 OF 1983, AS AMENDED [ARK. STAT. 13-2609, 13-2610 AND 13-2614], TO PROVIDE THAT THE INCOME DERIVED FROM THE ADDITIONAL FEE SHALL BE USED AS SECURITY FOR THE DEPARTMENT OF PUBLIC SAFETY BUILDING REVENUE BONDS AND FOR CERTIFICATES OF INDEBTEDNESS IN LIEU OF MONEYS PLEDGED FROM MOTOR VEHICLE INSPECTION FEES; AND FOR OTHER PURPOSES."

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

SECTION 1. Act 638 of 1967 and Act 143 of 1969, and all laws or parts of laws amendatory thereto, the same being Sections 75-2101 through 75-2116 of the Arkansas Statutes, are hereby repealed.

SECTION 2. There is hereby levied upon each motor vehicle which is required to be registered and licensed in this State, an annual registration or license fee of One Dollar and Twenty-Five Cents (\$1.25), which fee is in addition to the registration or license fees levied in Section 24 of Act 65 of 1929, as amended. This additional fee shall be a "Pledged Revenue" to be collected by the Commissioner of Revenues at the same time as the other motor vehicle registration fees and shall be deposited and credited in full to the funds as prescribed by this Act. All pledged revenues are hereby specifically declared to be cash funds restricted in their use and dedicated and to be used

solely as provided and authorized in this Act.

SECTION 3. Revenues collected by the Commissioner of Revenues from the additional registration or license fee levied by this Act shall be credited as follows:

(a) Eighty-four cents (\$0.84) of each \$1.25 fee collected shall be deposited in the State Treasury for credit to the "Public Facilities Debt Services Fund," to be used for payment of the principal of and interest on the Certificates of Indebtedness authorized by Act 458 of 1983, as amended, to replace revenues previously pledged therefor and derived from the special fee imposed on each motor vehicle required to undergo a motor vehicle safety inspection under the provisions of Act 638 of 1967, as amended, which is repealed by this Act; and

(b) Forty-one cents (\$0.41) of the \$1.25 fee collected shall be transmitted to the State Building Services to be deposited by the State Building Services in a bank or banks of its selection to the credit of funds designated the "Department of Public Safety Building Revenue Bond Fund," to be used for the payment of the principal of, premiums, if any, interest on, and trustees' and paying agents' fees in connection with the Department of Public Safety Building Revenue Bonds, with the maintenance of necessary funds and reserves, to replace revenues previously pledged therefor derived from the special fee imposed upon each motor vehicle required to undergo public safety inspection under the provisions of Act 638 of 1967, as amended, which is repealed by this Act. In the event the State Building Services redeems the 1977 and the 1979 Department of Public Safety Building Revenue Bonds as authorized by Sections 3 and 10 of Act 458 of 1983, as amended [Ark. Stats. 13-2603 and 13-2610], the forty-one cents (\$0.41) of the \$1.25 fee shall be deposited in the State Treasury for credit to the "Public Facilities Debt Services Fund," to be used for payment of the principal of and interest on the Certificates of Indebtedness as authorized by Act 458 of 1983, as amended, to redeem the 1977 and 1979 Bonds.

SECTION 4. Section 7 of Act 490 of 1977, as amended by Section 5 of Act 1086 of 1979, is hereby amended to read as follows:

"Section 7. (a) The principal of, premiums, if any, interest on, and trustees' and paying agents' fees in connection with all bonds issued under

this Act shall be secured solely by a lien on and pledge of:

(1) all revenues derived from the allocation of forty-one cents (\$0.41) of the additional registration or license fee imposed upon each motor vehicle required to be registered and licensed in this State. Such portion of the additional fee shall be collected for the sole purpose of providing fee revenues which are hereby pledged to pay the principal of, premiums, if any, interest on, and trustees' and paying agents' fees in connection with all bonds issued under the provisions of Act 490 of 1977, as amended by Act 1086 of 1979, and the same are intended to be substituted for and be in lieu of the revenues derived from the fees originally pledged for the inspection of motor vehicles pursuant to Act 638 of 1967, as amended.

The General Assembly hereby determines that the additional revenues to be produced from the portion of the additional annual registration or license fee imposed by law will be sufficient to provide for the payment, when due, of the principal of, premiums, if any, interest on, and trustees' and paying agents' fees in connection with the outstanding bonds issued under the provisions of this Act, and will be adequate to comply with the covenant(s), including without limitation the maintenance of funds and reserves in favor of the holders or registered owners of such outstanding bonds;

(2) the gross revenues, if any, derived from the leasing or renting to other agencies or other tenants of space in the building, the pledging of such revenues (collectively the 'Pledged Revenues') being hereby authorized. All Pledged Revenues are hereby specifically declared to be cash funds restricted in their use and dedicated and to be used solely as provided and authorized in this Act. Commencing the first day of the month next succeeding the issuance of bonds hereunder and so long as any bonds are outstanding hereunder, the Pledged Revenues shall not be deposited into the State Treasury and shall not be subject to legislative appropriation but, as and when received (by the Department, by the State Building Services, or by any other State agency, as the case may be) shall be deposited in a bank or banks selected by the State Building Services, to the credit of funds designated the 'Department of Public Safety Building Revenue Bond Fund,' with appropriate identification for separate issues or series. So long as any bonds are outstanding hereunder, all moneys in any bond fund shall be used solely for the payment of the principal of, premiums, if any, interest on, and trustees' and paying agents' fees in connection with the bonds, with the maintenance of

necessary funds and reserves, except that the authorizing resolution or trust indenture may provide for the withdrawal, for other purposes, of surplus moneys, as defined in the authorizing resolution or trust indenture. Nothing in this Section 7 is intended to prohibit the State Building Services from investing moneys received hereunder, as provided in this Act.

(b) The State Building Services may use any of the pledged revenues prior to the issuance of any bonds hereunder for defraying costs of accomplishing the powers, purposes and authorities set forth in this Act.

(c) So long as there are outstanding any bonds issued under this Act, the General Assembly may eliminate or change the additional annual registration or license fees for motor vehicles which replaced fees under Act 638 of 1967, as amended, but only on condition that there is always maintained in effect and made available for the payment of outstanding bonds sources of revenue which produce revenues at least sufficient in amount to provide for the payment when due of the principal of, premium, if any, interest on, and trustees' and paying agents' fees in connection with the outstanding bonds and to comply with all covenants (including, without limitation, the maintenance of funds and reserves) in favor of the holders or registered owners of such outstanding bonds."

SECTION 5. Section 9 of Act 490 of 1977, as amended, is hereby amended to read as follows:

"Section 9. It has been found and determined by the General Assembly of the State of Arkansas that adequate housing for the State Police and other agencies and programs providing essential public safety services is essential to the motor vehicle and highway safety programs of this State, that the services rendered by the State Police and other agencies directly benefit the motoring public of this State through the rendering of services that are additional to the regular enforcement duties of such programs, and that the method provided in this Act is necessary to provide suitable and adequate space for the efficient and necessary operation of said State Police and such other agencies as presently organized or as may be reorganized in the future."

SECTION 6. Section 9 of Act 458 of 1983, as amended, the same being Arkansas Statute 13-2609, is hereby amended to read as follows:

"Section 9. (a) The principal of and interest on the Certificates of

Indebtedness issued under this Act shall be secured solely by a lien on and pledge of:

(1) all revenues derived from the allocation of eighty-four cents (\$0.84) and, in the event State Building Services redeems the 1977 Bonds and 1979 Bonds as authorized in Sections 3 and 10 of this Act, the allocation of another forty-one cents (\$0.41) of the additional annual registration or license fee imposed upon each motor vehicle required to be registered and licensed in this State. The eighty-four cents allocation, and, if necessary, the other forty-one cents allocation, of the additional annual registration or license fee shall be collected for the sole purpose of providing fee revenues which are hereby pledged to pay the principal of and interest on the Certificates of Indebtedness issued under the provisions of this Act, and the same are intended to be substituted for and be in lieu of the revenues derived from the fee originally pledged for the inspection of motor vehicles pursuant to Act 638 of 1967, as amended;

(2) all moneys from the sale of or disposition of farm products, livestock or other products produced in connection with the agriculture and livestock activities at any institution under the control of the Board of Correction or any successor entity (excluding such moneys that may be accountable from, or the value of, products consumed within the Department of Correction), and from the rental of farm properties under the control of the Board of Correction or any successor entity;

(3) all moneys from the sale or disposition of articles and products manufactured or produced by prison labor through the operations of the prison industry program (excluding those moneys that may be accountable from, or the value of, articles and products used or consumed within the Department of Correction; and

(4) fifty percent (50%) of the gross revenue, if any, derived from the leasing or renting to tenants other than State agencies of space in any new facility constructed or acquired with proceeds of any certificates issued under this Act.

(b) The pledging of such revenues (collectively, the 'Pledged Revenues') is hereby authorized. All Pledged Revenues are hereby specifically declared to be non-tax revenues restricted in their use and dedicated to be used solely as provided and authorized in this Act.

Commencing the first day of the month next succeeding the issuance of

Certificates of Indebtedness hereunder, but not before July 1, 1983, and so long as any certificates are outstanding hereunder, the Pledged Revenues shall be deposited into the State Treasury as and when received by the Department of Correction, by the State Building Services, by State supported institutions of higher education, or by any other State agency as the case may be, to the credit of a fund to be designated the 'Public Facilities Debt Service Fund.' So long as any Certificates of Indebtedness are outstanding hereunder, all moneys in the Public Facilities Debt Service Fund shall be used solely for payment and redemption of the outstanding 1977 Bonds and the 1979 Bonds, as authorized in this Act, for the payment of principal of and interest on the Certificates of Indebtedness as authorized in this Act, and for the transfer of surplus moneys as defined in the authorizing resolution for credit in the State Treasury to the designated Department of Correction funds, in accordance with the provisions of this Act. For the purposes of this Act, the term 'surplus moneys' shall mean and include pledged revenues, plus any assets in the Public Facilities Debt Service Fund over and above that required for debt service when the same comes due.

Nothing in this Section is intended to prohibit the State Building Services from investing moneys received hereunder, as provided in this Act.

(c) The principal of and interest on the Certificates of Indebtedness shall be payable solely from the Public Facilities Debt Service Fund, and from the moneys required by this Act to be deposited in the Public Facilities Debt Service Fund. The State Building Services is directed to insert appropriate provisions in the authorizing resolution for the investing and reinvesting of moneys in the Public Facilities Debt Service Fund in securities selected by the State Building Services, and all income derived therefrom shall be and become a part of such Fund.

(d) So long as there are outstanding Certificates of Indebtedness issued under this Act, the General Assembly may eliminate or change any source of revenue pledged in connection with said certificates, but only on the condition that there is always maintained in effect and made available for the payment of outstanding certificates sources of non-tax revenues and fees which produce revenues, as distinguished from tax revenues, at least sufficient in amount to provide for the payment when due of the principal of and interest on the outstanding Certificates of Indebtedness and to comply with all covenants provided in this Act.

(e) Notwithstanding any provision of this Section, the Pledged Revenues described in subsection (a)(1) of this Section or any portion thereof which is pledged to secure the payment of the principal of, premium, if any, interest on, and trustees' and paying agents' fees of the outstanding 1977 Bonds and the 1979 Bonds, shall be deposited, subject to any covenants and pledges in connection with the 1977 Bonds and the 1979 Bonds, into the Public Facilities Debt Service Fund until such time as the 1977 Bonds and the 1979 Bonds are redeemed and discharged pursuant to the provisions of this Act, if the State Building Services elects to call such bonds for redemption."

SECTION 7. Section 10 of Act 458 of 1983, as amended, the same being Arkansas Statutes 13-2610, is hereby amended to read as follows:

"Section 10. (a) The 1977 Bonds and the 1979 Bonds, so long as they are outstanding, shall be secured by a prior lien on and pledge of the Pledged Revenues as described in subsection (a)(1) of Section 9 of this Act, to the extent authorized by Act No. 490, as amended, and nothing herein shall be construed as impairing their security as provided in the respective authorizing resolutions of the State Building Services securing the 1977 Bonds and the 1979 Bonds.

(b) The State Building Services is hereby authorized, in its discretion, to call and redeem, or make arrangements for the payment and discharge of, the outstanding 1977 Bonds and the 1979 Bonds, as hereinafter provided. If the State Building Services determines so to proceed, the moneys derived from the sale of Certificates of Indebtedness shall be used, to the extent necessary, to accomplish such refunding and shall be applied by the State Building Services to payment and redemption (principal, premiums, if any, interest, fees, and expenses) of all the outstanding 1977 Bonds and the 1979 Bonds. Pending surrender of the 1977 Bonds and the 1979 Bonds, the necessary moneys shall be deposited in trust and provision made for the payment of the principal of, premiums, if any, interest on, fees, and expenses as the same shall become due and payable. All moneys in the 1977 Bond Fund and the 1979 Bond Fund shall be used for no other purpose than the payment of the principal, premiums, if any, interest, and fees and expenses incurred in connection with the payment and redemption of the 1977 Bonds and the 1979 Bonds. Upon deposit in the 1977 Bond Fund and the 1979 Bond Fund of the moneys provided for herein, the 1977 Bonds and the 1979 Bonds shall be deemed to be paid and

discharged.

(c) In the event the State Building Services shall not elect to call and redeem the 1977 Bonds and the 1979 Bonds, that portion of the revenues derived from the additional annual registration or license fee collected for each motor vehicle registered in this State allocated and pledged for securing the 1977 Bonds and the 1979 Bonds, as provided in Act 490 of 1977, as amended, shall continue to be set aside and deposited in the Department of Public Safety Building Revenue Bond Fund in financial institutions in this State, as provided in said Act No. 490 of 1977, as amended, and all moneys not pledged therefor shall be Pledged Revenues for the purposes of this Act as intended by Section 9 (a) (1) hereof. In addition, if the State Building Services elects not to call and redeem the 1977 Bonds and the 1979 Bonds, the principal amount of the Certificates authorized to be issued by State Building Services in Section 4 (a) of this Act shall be reduced by the amount which would have been required to provide the moneys for the redemption and purchase of the 1977 Bonds and the 1979 Bonds.

(d) All moneys derived by State Building Services from the sale of Certificates of Indebtedness as authorized in this Act shall be deposited in the State Treasury in the Public Facilities Construction Fund, to be used solely for the powers, purposes, and authority set forth in this Act."

SECTION 8. Section 14 of Act 458 of 1983, as amended, the same being Arkansas Statute 13-2614, is hereby amended to read as follows:

"Section 14. It has been found by the General Assembly of the State of Arkansas that adequate construction, equipping, maintenance and operation of facilities for the Department of Correction and the State supported institutions of higher education is essential to the well-being of this State and that the pledging of the additional annual registration or license fee for motor vehicles, the fees derived from the agriculture and livestock activities and rentals of farm properties, the fees collected from the sale or disposition of articles and products manufactured through the operations of the prison industries program and the rental fees collected by State supported institutions of higher education from tenants other than State agencies is essential to the fulfillment of the purposes of this Act."

SECTION 9. All laws and parts of laws in conflict with this Act are

hereby repealed.