

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995

A Bill

SENATE BILL 106

4 By: Senators Todd and Mahony
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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 15-4-1506 AND ARKANSAS CODE
9 15-4-1507 TO PROVIDE GOVERNING BODIES OF MUNICIPAL
10 AIRPORTS WHICH PROVIDE DIRECT SUPPORT TO MILITARY
11 INSTALLATIONS SLATED FOR CLOSURE BY THE FEDERAL BASE
12 REALIGNMENT AND CLOSURE COMMISSION WITH SPECIAL TARGET
13 STATUS TO QUALIFY FOR FINANCIAL ASSISTANCE FROM THE
14 AVIATION AND AEROSPACE INDUSTRY DEVELOPMENT FUND; AND FOR
15 OTHER PURPOSES."

Subtitle

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18 "TO PROVIDE QUALIFYING GOVERNING BODIES
19 OF MUNICIPAL AIRPORTS WITH SPECIAL
20 STATUS TO QUALIFY FOR FINANCIAL AID FROM
21 THE AVIATION AND AEROSPACE INDUSTRY
22 DEVELOPMENT FUND."
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code 15-4-1506 is amended to read as follows:

27 "15-4-1506. Receipt of loans and financial assistance.

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

34 (b) Any governing body of a municipal airport wherein is located a
35 military installation slated for closure, or any governing body of a

1 municipal airport located within thirty (30) miles of a military installation
2 slated for closure by the Federal Base Realignment and Closure Commission,
3 provided said military installation exceeds 30,000 acres of total land area,
4 for which the governing body has received a federal grant for development of
5 the municipal airport, shall hereinafter be referred to as a "special target
6 applicant" and may receive loans or other financial assistance from the fund
7 for expenses related to establishment, relocation, expansion, or development
8 of aviation and aerospace industries without qualifying for all the criteria
9 required in this subchapter."

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11 SECTION 2. Arkansas Code 15-4-1507 is amended to read as follows:

12 "15-4-1507. Loan criteria.

13 (a) The commission shall have the authority to determine the structure,
14 amount and nature of any loan or other financial assistance from the fund,
15 subject to the following criteria, except special target applicants do not
16 have to meet criteria in subdivisions (a)(1) and (a)(2) of this subsection.

17 (1) The applicant shall provide certification that not less than fifty
18 (50) net new full-time-equivalent jobs will be created as a result of the
19 financial assistance provided hereunder;

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

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

31 (b) The commission shall establish procedures to quantify the benefit
32 and return to the state and its citizens from the provision of financial
33 assistance from the fund. The commission shall establish as a goal the
34 return of any state investment made hereunder within eight (8) years of the
35 provision of financial assistance. The state's return shall be measured

1 using the following criteria:

- 2 (1) Number of jobs;
- 3 (2) Level of pay per job;
- 4 (3) Company's capital investment;
- 5 (4) Length of commitment of jobs by the company;
- 6 (5) Training and educational needs;
- 7 (6) "Take-back" provisions;
- 8 (7) Public and private participation in project funding; and
- 9 (8) Other criteria as established by the commission.

10 The commission in applying the formula shall determine that funding the
11 project will result in economic activity within the state that provides a
12 revenue-neutral or revenue-positive impact on the state's current general
13 revenues. Special target applicants do not have to meet the criteria
14 specified in this subsection to measure the return to the state or to meet
15 the goal of a return of any state investment within eight (8) years.

16 (c) The Director of the Department of Industrial Development shall enter
17 into an agreement with each successful applicant or special target applicant
18 that shall include the specific terms and conditions of the financial
19 assistance to be provided. These terms shall include a "take-back" provision
20 in the event the applicant fails to meet the terms of the agreement. Any
21 legal recourse set out by these provisions shall be pursued by the Chief
22 Fiscal Officer of the State.

23 (d) Any applicant or special target applicant receiving assistance from
24 the fund shall be liable to repay any assistance received if it does not
25 comply with the terms of any disbursement agreement, the criteria set out in
26 this subchapter, except where target applicants are exempt, and any rule or
27 regulation promulgated by the Chief Fiscal Officer of the State with regard
28 to the Arkansas Aviation and Aerospace Industry Development Fund. The
29 repayment shall be made to the Chief Fiscal Officer of the State and credited
30 to the fund. The Chief Fiscal Officer of the State may bring any lawful
31 action to recover any amount for which the recipient is liable."

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33 SECTION 3. Title 15, Chapter 4, Subchapter 15 is hereby amended to
34 adopt a new Section 1508 to read as follows:

35 "15-4-1508. Enterprise Zone Benefits.

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