

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas  
2 82nd General Assembly  
3 Regular Session, 1999  
4

As Engrossed: S3/29/99 S4/5/99

## A Bill

SENATE BILL 920

5 By: Senator K. Smith  
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### For An Act To Be Entitled

9 "AN ACT TO ENCOURAGE TAX-EXEMPT ENTITIES, UPON  
10 DISSOLUTION, TO DONATE THEIR ASSETS TO THE DELTA AND  
11 RURAL DEVELOPMENT TRUST FUND; TO PROVIDE THAT UPON  
12 DISSOLUTION OF A TAX-EXEMPT ENTITY A PORTION OF ITS  
13 REMAINING ASSETS SHALL BE DEPOSITED INTO THE STATE  
14 TREASURY TO THE CREDIT OF THE DELTA AND RURAL  
15 DEVELOPMENT TRUST FUND TO BE USED FOR ENHANCING THE  
16 ECONOMIC DEVELOPMENT AND IMPROVING THE QUALITY OF LIFE  
17 IN THE DELTA AREA AND OTHER RURAL AREAS OF THIS STATE;  
18 AND FOR OTHER PURPOSES. "

### Subtitle

21 "THE DELTA AND RURAL DEVELOPMENT ACT OF  
22 1999. "

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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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27 SECTION 1. For purposes of this act, "tax-exempt entity" means any  
28 nonprofit corporation formed under the nonprofit corporation laws of this  
29 state, any entity which enjoys tax-exempt status under Section 501(c)(3) of  
30 the federal Internal Revenue Code, or any other entity formed under the laws  
31 of this state and which enjoys similar tax-exempt status.

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33 SECTION 2. Upon dissolution, tax-exempt entities are required to  
34 dispose of their assets to other charitable entities. The Delta and Rural  
35 Development Trust Fund created by this act is designed for the exclusive  
36 purpose of enhancing the economic development and improving the quality of

1 life of the residents of the Delta area and other rural areas of the State of  
2 Arkansas, and therefore, the tax- exempt entities in this state are  
3 encouraged, upon dissolution, to donate their remaining assets to the Delta  
4 and Rural Development Trust Fund.

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6 SECTION 3. (a)(1) When any health care tax-exempt entity dissolves,  
7 fifty percent (50%) of the assets remaining after dissolution shall be  
8 deposited into the State Treasury as special revenues credited to the Delta  
9 and Rural Development Trust Fund which is hereby created on the books of the  
10 Treasurer of State, Auditor of State, and Chief Fiscal Officer of the State.

11 (2) When any other tax-exempt entity dissolves, thirty  
12 five percent (35%) of the assets remaining after dissolution shall be  
13 deposited into the State Treasury as special revenues credited to the Delta  
14 and Rural Development Trust Fund which is hereby created on the books of the  
15 Treasurer of State, Auditor of State, and Chief Fiscal Officer of the State.

16 (b) When any tax-exempt entity, formed under the laws of this state  
17 prior to the effective date of this act, amends its articles of incorporation  
18 it shall include a statement that upon dissolution its assets shall be  
19 distributed in accordance with this act.

20 (c) All funds deposited into the State Treasury under this act shall be  
21 special revenues credited to the Delta and Rural Development Trust Fund and  
22 shall be used solely and exclusively for enhancing the economic development  
23 and improving the quality of life in the Delta area and other rural areas of  
24 the State of Arkansas.

25 (d) The tax-exempt entities which file any reports annually with the  
26 Attorney General shall include with the filing a statement whether they have  
27 received any earnings on investments that year. The Attorney General shall  
28 notify the Department of Finance and Administration as to which tax-exempt  
29 entities have received earnings on investments during any year.

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31 SECTION 4. The Director of the Department of Finance and Administration  
32 shall be the disbursing officer of funds appropriated from the Delta and Rural  
33 Development Trust Fund.

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35 SECTION 5. The provisions of this act shall not apply to any church or  
36 religious organization, not including non-profit health care organizations

1 affiliated with a church or religious organization, with assets of less than  
2 one million dollars (\$1,000,000) at the time of dissolution.

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4 SECTION 6. All provisions of this act of a general and permanent nature  
5 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
6 Revision Commission shall incorporate the same in the Code.

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8 SECTION 7. If any provision of this act or the application thereof to  
9 any person or circumstance is held invalid, such invalidity shall not affect  
10 other provisions or applications of the act which can be given effect without  
11 the invalid provision or application, and to this end the provisions of this  
12 act are declared to be severable.

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14 SECTION 8. All laws and parts of laws in conflict with this act are  
15 hereby repealed.

16 /s/ K. Smith  
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