

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005

# A Bill

HOUSE BILL 1175

4  
5 By: Representative Mathis  
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## For An Act To Be Entitled

8  
9 AN ACT TO AUTHORIZE THE ARKANSAS DEVELOPMENT  
10 FINANCE AUTHORITY TO GUARANTY INDUSTRIAL REVENUE  
11 BONDS ISSUED BY CITIES AND COUNTIES; AND FOR  
12 OTHER PURPOSES.  
13

## Subtitle

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15 AN ACT TO AUTHORIZE THE ARKANSAS  
16 DEVELOPMENT FINANCE AUTHORITY TO  
17 GUARANTY INDUSTRIAL REVENUE BONDS ISSUED  
18 BY CITIES AND COUNTIES.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code § 15-5-403, concerning definitions in the  
24 Arkansas Development Finance Authority Bond Guaranty Act of 1985, is amended  
25 to read as follows:

26 15-5-403. Definitions.

27 As used in this subchapter:

28 (1) "Act" means the Arkansas Development Finance Authority Bond  
29 Guaranty Act of 1985, § 15-5-401 et seq.;

30 (2) "ADFA Act" means the Arkansas Development Finance Authority  
31 Act, §§ 15-5-101 et seq., 15-5-201 et seq., and 15-5-301 et seq.;

32 (3) "Amortization payments" means the periodic, i.e., monthly,  
33 semiannual, annual, etc., payments of interest, whether at a fixed or  
34 variable rate, or premium, if any, and installments of principal of qualified  
35 bonds as required by the trust indenture relating to the bonds;

36 (4) "Authority" means the Arkansas Development Finance



1 Authority;

2 (5) "Board" means the Board of Directors of the Arkansas  
3 Development Finance Authority;

4 (6) "Bond fund" means the Guaranty Bond Fund authorized in this  
5 subchapter from which bonds issued by the authority for the purpose of  
6 meeting the obligations of the Bond Guaranty Reserve Account are payable;

7 (7) "Borrower" means the individual, entity, firm, or  
8 corporation, whether for profit or nonprofit, city, county, other political  
9 subdivision, or state agency charged with developing the project under the  
10 terms of the trust indenture relating to qualified bonds;

11 (8) "Guaranty Reserve Account" means the Bond Guaranty Reserve  
12 Account created in this subchapter for the purpose of meeting amortization  
13 payments of qualified bonds guaranteed by the authority and for the purpose  
14 of enhancing and supporting the credit of those qualified bonds;

15 (9) "Project" means the project for which the proceeds of  
16 qualified bonds are utilized;

17 (10) "Qualified bonds" means:

18 (A) Revenue bonds validly issued by the authority in  
19 accordance with the provisions of the Arkansas Development Finance Authority  
20 Act, §§ 15-5-101 et seq., 15-5-201 et seq., and 15-5-301 et seq.; ~~or~~

21 (B) An obligation issued by the designated investor group  
22 under the Venture Capital Investment Act of 2001, § 15-5-1401 et seq.; or

23 (C) Revenue bonds validly issued by a city or county under  
24 the Municipalities and Counties Industrial Development Revenue Bond Law, §  
25 14-164-201 et seq.;

26 (11) "State" means the State of Arkansas; and

27 (12) "Supplemental Guaranty Reserve Account" means an account  
28 which may be established by the authority for the purpose of enhancing the  
29 Bond Guaranty Reserve Account.

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31 SECTION 2. Arkansas Code § 15-5-403(10) shall apply to guaranties  
32 issued prior to the effective date of this act by the Arkansas Development  
33 Finance Authority for revenue bonds validly issued by a city or county under  
34 the Municipalities and Counties Industrial Development Revenue Bond Law,  
35 § 14-164-201 et seq., and the guaranties shall not be invalidated based upon  
36 the definition of "qualified bonds" in Arkansas Code § 15-5-403 that existed

1 prior to the effective date of this act.

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SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that industrial revenue bonds issued by cities and counties are vital for the financing of significant industrial and tourism projects; that there is an immediate need for this act in order to assure the security of the local revenue bonds guaranteed by the Arkansas Development Finance Authority and issued for the purpose of securing and developing industry and tourism. 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.