

State of Arkansas
86th General Assembly
Regular Session, 2007

A Bill

SENATE BILL 943

By: Senator Bryles

For An Act To Be Entitled

AN ACT TO AMEND THE INDUSTRIAL REVENUE BOND
GUARANTY LAW TO SPECIFY THAT THE PREMIUM PAYMENT
MAY BE MADE AT THE TIME OF CLOSING; TO AMEND THE
ELIGIBILITY OF COMPANIES THAT CAN APPLY FOR BOND
GUARANTY; AND FOR OTHER PURPOSES.

Subtitle

AN ACT TO AMEND THE INDUSTRIAL REVENUE
BOND GUARANTY LAW.

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

SECTION 1. Arkansas Code § 15-4-604 is amended to read as follows:

15-4-604. When bonds may be guaranteed - Standards and regulations for
evaluations.

(a) Amortization payments on Act No. 9 bonds and ADFA bonds may be
guaranteed in instances when:

(1) Substantial employment is involved the Arkansas Economic
Development Commission chooses to offer a bond guaranty to a user in
instances in which other public benefits to the state or local area present
compelling reasons for offering a bond guaranty;

(2) The total principal amount of all outstanding Act No. 9
bonds and ADFA bonds under guaranty is not in excess of one hundred million
dollars (\$100,000,000);

(3) No one (1) issue or series of Act No. 9 bonds or ADFA bonds
guaranteed under this section shall exceed five million dollars (\$5,000,000)
in principal amount;



1 (4) The user of the industrial project involved is not permitted
2 to purchase or own at any time any of such bonds; and

3 (5) The user is found to be financially responsible and the full
4 payment of the interest and principal amount of the bonds may reasonably be
5 expected.

6 (b) ~~The Arkansas Economic Development Commission~~ commission shall
7 promulgate standards and regulations for the evaluation of the financial
8 condition and business history of users.

9 (c) The commission may offer a bond guaranty to any qualified user if
10 the commission determines that it is in the best interest of the state to do
11 so.

12
13 SECTION 2. Arkansas Code § 15-4-606(a)(2)(A), concerning review of
14 applications for bond guaranty, is amended to read as follows:

15 (2)(A) ~~All~~ Upon receiving a recommendation for approval from the
16 Arkansas Economic Development Commission, all applications for guaranties
17 shall be ~~accompanied by~~ subject to a one-time premium payment, ~~that shall be~~
18 payable at closing, to the Revenue Bond Guaranty Reserve Account in an amount
19 equal to whichever is the larger amount of either:

20 (i) Three percent (3%) of the amount of the total
21 principal and interest requirements from date of issuance to maturity of the
22 Act No. 9 bonds or authority bonds guaranteed; or

23 (ii) Five percent (5%) of the principal amount of
24 the Act No. 9 bonds or authority bonds guaranteed.