

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 87th General Assembly
3 Regular Session, 2009
4

As Engrossed: H3/27/09

A Bill

HOUSE BILL 2206

5 By: Representative Everett
6
7

For An Act To Be Entitled

9 AN ACT TO UTILIZE PROVISIONS OF AMENDMENT 7 OF
10 THE ARKANSAS CONSTITUTION TO ADDRESS ANTIQUATED
11 LANGUAGE IN AMENDMENT 65 OF THE ARKANSAS
12 CONSTITUTION CONCERNING THE INTEREST RATE LIMIT
13 ON REVENUE BONDS; AND FOR OTHER PURPOSES.
14
15

Subtitle

17 TO UTILIZE PROVISIONS OF AMENDMENT 7 OF
18 THE ARKANSAS CONSTITUTION TO ADDRESS
19 ANTIQUATED LANGUAGE IN AMENDMENT 65 OF
20 THE ARKANSAS CONSTITUTION CONCERNING THE
21 INTEREST RATE LIMIT ON REVENUE BONDS.
22
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 *SECTION 1. DO NOT CODIFY. Legislative findings.*

27 *The General Assembly declares that as a result of the downturn in the*
28 *economy and the resulting efforts by the federal government to stimulate the*
29 *economy, the interest rates have been lowered to such an extent that*
30 *governmental units at all levels in the state are unable to finance public*
31 *works projects. Under § 4 of Amendment 65 of the Arkansas Constitution, the*
32 *interest rate on revenue bonds cannot exceed five percent (5%) per annum*
33 *above the Federal Reserve Discount Rate at the time of the contract. As a*
34 *result of the lowered interest rates, the interest rate that the governmental*
35 *units can establish on revenue bonds is insufficient to sell the bonds.*
36 *Therefore, capital projects required to protect the public safety and provide*



1 for the general welfare of the residents of Arkansas cannot be pursued.
2 These projects include the construction of new schools, the renovation of
3 deteriorating schools, the construction of incarceration facilities, road
4 improvement projects, health care facilities, and other projects directly
5 related to improving the lives of Arkansans.

6 It is determined that the previous and current conditions of the
7 economy require the General Assembly to take corrective action to address the
8 severe situation governmental entities are finding themselves in. The
9 General Assembly also declares that under § 1 of Article 5 of Amendment 7 to
10 the Arkansas Constitution, a measure is defined to include any bill, law,
11 resolution, ordinance, charter, constitutional amendment, or legislative
12 proposal or enactment of any character. This section also provides in part
13 that a measure approved by a vote of the people shall not be amended or
14 repealed by the General Assembly except upon a yea and nay vote on roll call
15 of two-thirds majority of all the members elected to each house of the
16 General Assembly. It is further declared that Amendment 65 was enacted under
17 the provisions of § 1 of Article 5 of Amendment 7 to the Arkansas
18 Constitution and as such is a measure as defined under that constitutional
19 provision. The initiative was adopted at the general election on November 4,
20 1986, by a vote of 318,894 for and 275,877 against. Therefore, it is
21 determined that without immediate relief from the limits on the interest
22 rates on revenue bonds, the governmental units of the state will be unable to
23 obtain adequate funding to meet the needs of Arkansans.

24
25 SECTION 2. Section 4 of Amendment 65 to the Constitution of Arkansas
26 is amended to read as follows:"

27 4. Authority exclusive - Interest - Initiative and referendum.

28 This amendment shall be the sole authority required for the
29 authorization, issuance, sale, execution and delivery of revenue bonds
30 ~~authorized hereby; provided, however, that the rate of interest on revenue~~
31 ~~bonds shall not exceed the maximum authorized by Amendment No. 60 to the~~
32 ~~Constitution of the State of Arkansas or any similar provision hereafter~~
33 ~~adopted.~~ Nothing herein shall be construed to impair the initiative and
34 referendum powers reserved to the people under Amendment No. 7 to the
35 Constitution of the State of Arkansas.

36

1 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
2 General Assembly that as a result of the economic downturn of the United
3 States and Arkansas economies, governmental units in the state are unable to
4 finance capital improvement projects necessary to meet the needs of the state
5 and that without immediate relief from the interest rate limits to obtain
6 funding for these projects, the citizens of this state will suffer
7 irreparable harm to their health and well-being. This bill shall immediately
8 provide governmental units with the ability to pursue projects necessary to
9 ensure the public safety, health, and welfare of its citizens. Therefore, an
10 emergency is declared to exist and this act being immediately necessary for
11 the preservation of the public peace, health, and safety shall become
12 effective on:

13 (1) The date of its approval by the Governor;

14 (2) If the bill is neither approved nor vetoed by the Governor,
15 the expiration of the period of time during which the Governor may veto the
16 bill; or

17 (3) If the bill is vetoed by the Governor and the veto is
18 overridden, the date the last house overrides the veto.

19
20
21 /s/ Everett
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36