

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: S1/29/09*  
**A Bill**

SENATE BILL 104

5 By: Senators Glover, Capps  
6 *By: Representatives McCrary, Barnett*  
7

8  
9 **For An Act To Be Entitled**

10 AN ACT TO AMEND THE ARKANSAS INTERSTATE HIGHWAY  
11 FINANCING ACT OF 2007 TO EXTEND THE TIME FOR  
12 ISSUING GRANT ANTICIPATION REVENUE BONDS FOR THE  
13 RESTORATION AND IMPROVEMENT TO THE INTERSTATE  
14 HIGHWAY SYSTEM WITHIN THE STATE OF ARKANSAS; AND  
15 FOR OTHER PURPOSES.  
16

17 **Subtitle**

18 TO AMEND THE ARKANSAS INTERSTATE HIGHWAY  
19 FINANCING ACT OF 2007 TO EXTEND THE TIME  
20 FOR ISSUING GRANT ANTICIPATION REVENUE  
21 BONDS FOR THE RESTORATION AND  
22 IMPROVEMENT TO THE INTERSTATE HIGHWAY  
23 SYSTEM.  
24

25  
26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
27

28 SECTION 1. Arkansas Code § 27-64-404 is amended to read as follows:  
29 27-64-404. Authorization – Purposes.

30 The State Highway Commission is hereby authorized, subject to the  
31 approval of the voters in a statewide election, to issue bonds from time to  
32 time provided that the total principal amount outstanding from the issuance  
33 of the bonds, together with the total principal amount outstanding from the  
34 issuance of bonds pursuant to Arkansas Highway Financing Act of 1999, § 27-  
35 64-201 et seq., shall not, at any time, exceed five hundred seventy-five  
36 million dollars (\$575,000,000). The bonds will be issued in one (1) or more



1 series of various principal amounts, with the last series being issued no  
2 later than December 31, ~~2013~~ 2015. The bonds shall be issued for the  
3 following purposes:

4 (1) Accelerating interstate highway improvement projects already  
5 underway or scheduled;

6 (2) Funding new interstate highway improvement projects;

7 (3) Financing the restoration, reconstruction, and renovation of  
8 interstate highway improvements within the State of Arkansas; and

9 (4) Paying the costs of issuance of the bonds, including the  
10 costs of bond issuance or other credit enhancement.

11  
12 *SECTION 2. Arkansas Code § 27-64-405(b) and (c), concerning elections*  
13 *under the Arkansas Interstate Highway Financing Act of 2007, are amended to*  
14 *read as follows:*

15 *(b) The notice of election shall state that the election is to be held*  
16 *for the purpose of submitting to the people the following proposition, in*  
17 *substantially the form set forth herein:*

18  
19 *“Authorizing the State Highway Commission to issue State of Arkansas*  
20 *Federal Highway Grant Anticipation and Tax Revenue Bonds (the “Bonds”) from*  
21 *time to time provided that the total principal amount outstanding from the*  
22 *issuance of such bonds, together with the total principal amount outstanding*  
23 *from the issuance of bonds pursuant to Arkansas Highway Financing Act of*  
24 *1999, § 27-64-201 et seq., shall not, at any time, exceed five hundred*  
25 *seventy-five million dollars (\$575,000,000). If approved, the bonds will be*  
26 *issued in one or more series of various principal amounts, with the last*  
27 *series being issued no later than December 31, ~~2013~~ 2015. The bonds shall be*  
28 *issued for the purpose of paying the cost of constructing and renovating*  
29 *improvements to interstate highways and related facilities in the State of*  
30 *Arkansas.*

31  
32 *The bonds shall be general obligations of the State of Arkansas,*  
33 *payable from certain designated revenues and also secured by the full faith*  
34 *and credit of the State of Arkansas, including its general revenues. Pursuant*  
35 *to the Arkansas Interstate Highway Financing Act of 2007 (the “Bond Act”),*  
36 *the bonds will be repaid first from: (1) revenues derived from federal*

1 highway assistance funding allocated to the State of Arkansas designated as  
2 federal highway interstate maintenance funds, and (2) revenue derived from  
3 the increase in the excise tax levied on distillate special fuels (diesel)  
4 pursuant to section 2 of the "Arkansas Distillate Special Fuel Excise Tax Act  
5 of 1999" and the "Motor Fuel Excise Tax Act of 1999" and transferred to the  
6 State Highway and Transportation Department Fund pursuant to § 27-70-207(c)  
7 in accordance with section 4(a) of the "Arkansas Distillate Special Fuel  
8 Excise Tax Act of 1999" and the "Motor Fuel Excise Tax Act of 1999." To the  
9 extent that designated revenues are insufficient to make timely payment of  
10 debt service on the bonds, such payment shall be made from the general  
11 revenues of the State of Arkansas. The bonds shall be issued pursuant to the  
12 authority of and the terms set forth in the Bond Act.

13  
14 Pursuant to the Bond Act, the highway improvements to be financed are  
15 limited to the restoration and improvements to all of the interstate highway  
16 system within the state, including roadways, bridges, or rights-of-way under  
17 jurisdiction of the State Highway Commission, which shall also include the  
18 acquisition, construction, reconstruction, and renovation of such interstate  
19 highway system and facilities appurtenant or pertaining thereto.

20  
21 Pursuant to the Bond Act, "designated revenues" are defined as: (1)  
22 that portion designated by the commission of all funds received or to be  
23 received from the federal government as federal highway interstate  
24 maintenance funds, and (2) revenues derived from the increase in taxes levied  
25 on distillate special fuels pursuant to section 2 of the "Arkansas Distillate  
26 Special Fuel Excise Tax Act of 1999" and the "Motor Fuel Excise Tax Act of  
27 1999" and transferred to the State Highway and Transportation Department Fund  
28 pursuant to Arkansas Code § 27-70-207(c) in accordance with section 4(a) of  
29 the "Arkansas Distillate Special Fuel Excise Tax Act of 1999" and the "Motor  
30 Fuel Excise Tax Act of 1999." Designated revenues shall not include the  
31 revenues derived from the increase in tax on motor fuel (gasoline) resulting  
32 from the "Arkansas Distillate Special Fuel Excise Tax Act of 1999" and the  
33 "Motor Fuel Excise Tax Act of 1999". The bonds are further secured by the  
34 full faith and credit of the State of Arkansas, and to the extent "designated  
35 revenues" are insufficient to make timely payment of debt service on the  
36 bonds, the general revenues of the state shall be used to pay debt service on

1 *the bonds."*

2 *(c) The ballot title shall be "Issuance of State of Arkansas Federal*  
3 *Highway Grant Anticipation and Tax Revenue Bonds and pledge of full faith and*  
4 *credit of the State of Arkansas." On each ballot there shall be printed the*  
5 *title, the proposition set forth in § 27-64-406 and the following:*

6  
7 *"FOR authorizing the State Highway Commission to issue State of*  
8 *Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds from time*  
9 *to time provided that the total principal amount outstanding from the*  
10 *issuance of such bonds, together with the total principal amount outstanding*  
11 *from the issuance of bonds pursuant to the Arkansas Highway Financing Act of*  
12 *1999, Arkansas Code § 27-64-201 et seq., shall not, at any time, exceed five*  
13 *hundred seventy-five million dollars (\$575,000,000); such bonds to be issued*  
14 *in one or more series of various principal amounts, with the last series*  
15 *being issued no later than December 31, ~~2013~~ 2015, and to be secured by the*  
16 *full faith and credit of the State of Arkansas . . . . [ ]"*

17  
18 *"AGAINST authorizing the State Highway Commission to issue State of*  
19 *Arkansas Federal Highway Grant Anticipation and Tax Revenue Bonds from time*  
20 *to time provided that the total principal amount outstanding from the*  
21 *issuance of such bonds, together with the total principal amount outstanding*  
22 *from the issuance of bonds pursuant to the Arkansas Highway Financing Act of*  
23 *1999, Arkansas Code § 27-64-201 et seq., shall not, at any time, exceed five*  
24 *hundred seventy-five million dollars (\$575,000,000); such bonds to be issued*  
25 *in one or more series of various principal amounts, with the last series*  
26 *being issued no later than December 31, ~~2013~~ 2015, and to be secured by the*  
27 *full faith and credit of the State of Arkansas . . . . [ ]"*

28  
29 *SECTION 3. Arkansas Code § 27-64-412(a), concerning refunding of*  
30 *bonds, is amended to read as follows:*

31 *(a) The State Highway Commission may issue bonds for the purpose of*  
32 *refunding bonds previously issued pursuant to this act; provided, however,*  
33 *that such bonds are not issued after December 31, ~~2013~~ 2015, and that the*  
34 *total amount of bonds outstanding after the refunding is completed does not*  
35 *exceed the total amount authorized by this act.*

36 */s/ Glover*