

State of Arkansas *As Engrossed: S3/3/09 S3/31/09*

87th General Assembly

Regular Session, 2009

SJR 6

By: Senator Broadway

By: Representatives Maloch, Dismang

SENATE JOINT RESOLUTION

*PROPOSING A CONSTITUTIONAL AMENDMENT CONCERNING
THE INTEREST RATE LIMITS ON BONDS ISSUED BY AND
LOANS MADE BY OR TO GOVERNMENTAL UNITS; AND TO
AUTHORIZE GOVERNMENTAL UNITS TO ISSUE BONDS TO
FINANCE ENERGY EFFICIENCY PROJECTS AND TO
AUTHORIZE THE USE OF SAVINGS FROM THE PROJECTS TO
REPAY THE BONDS.*

Subtitle

*PROPOSING A CONSTITUTIONAL AMENDMENT TO
AMEND VARIOUS PROVISIONS OF THE ARKANSAS
CONSTITUTION CONCERNING BONDS.*

BE IT RESOLVED BY THE SENATE OF THE EIGHTY-SEVENTH GENERAL ASSEMBLY OF THE
STATE OF ARKANSAS AND BY THE HOUSE OF REPRESENTATIVES, A MAJORITY OF ALL
MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

That the following is proposed as an amendment to the Constitution of
the State of Arkansas, and upon being submitted to the electors of the state
for approval or rejection at the next general election for Representatives
and Senators, if a majority of the electors voting thereon at the election
adopt the amendment, the amendment shall become a part of the Constitution of
the State of Arkansas, to wit:

SECTION 1. The maximum lawful rates of interest on bonds issued by
governmental units in the State of Arkansas as set forth in various



1 provisions and amendments to the Arkansas Constitution of 1874, including
2 Article 19 § 13 and Amendment Nos. 30, 38, 62, 65, and 78, are removed.

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4 SECTION 2. The maximum lawful rate of interest on loans made by or to
5 governmental units in the State of Arkansas as set forth in Article 19 § 13
6 of the Arkansas Constitution of 1874 is removed.

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8 SECTION 3. (a) The term "bonds" means all bonds, notes, certificates,
9 financing leases or other interest-bearing instruments or evidences of
10 indebtedness.

11 (b) The term "governmental unit" means the State of Arkansas; any
12 county, municipality, school district, or other political subdivision of the
13 State of Arkansas; any special assessment or taxing district established
14 under the laws of the State of Arkansas; and any agency, board, commission,
15 or instrumentality of any of the foregoing.

16 (c) The term "loans" means all direct or indirect advances of funds and
17 moneys that are conditioned on the obligation of a person or entity to repay
18 the funds and moneys pursuant to loan agreements, lease agreements,
19 installment sale agreements, security agreements, notes, or other instruments
20 or documents evidencing the indebtedness.

21
22 SECTION 4. (a) Energy Efficiency Project Bonds – Issuance – Terms and
23 conditions.

24 A governmental unit, under laws adopted by the General Assembly, may
25 issue bonds to finance all or a portion of the costs of capital improvements
26 of energy efficiency projects. The bonds may bear such terms, be issued in
27 such manner, and be subject to such conditions as may be authorized by the
28 General Assembly.

29 (b) Bonds may be financed using the savings from the project or any
30 other revenue as the term is used in the definition of revenue bonds in
31 Amendment 65 of the Arkansas Constitution.

32 (c) Authority exclusive – Interest – Initiative and referendum.

33 (1) This section is the sole authority required for the
34 authorization, issuance, sale, execution, and delivery of bonds for energy
35 efficiency projects.

36 (2) This section does not impair the initiative and referendum

1 powers reserved to the people under Arkansas Constitution, Art. 5, § 1.

2
3 SECTION 5. Nothing set forth in this act shall limit the power of the
4 General Assembly to fix, from time to time, one or more interest rate limits
5 on various types of bonds and loans.

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7 SECTION 6. If any provision of this Amendment or the application
8 thereof to any person or circumstances is held invalid, the remainder of the
9 Amendment and the application of such provision to persons or circumstances
10 other than those to which it is held invalid shall not be affected thereby.

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12 SECTION 7. The provisions of this Amendment shall be self-executing.

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14 SECTION 8. The provisions of this Amendment shall apply to all bonds
15 issued and loans made in whole or in part after the effective date of this
16 Amendment.

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18 SECTION 9. All provisions of the Constitution of 1874 or Amendments in
19 conflict with this Amendment relating to limitation of the charging or paying
20 of interest or the limitation on the rate of interest that a governmental
21 unit can pay or be charged on its indebtedness including, but not limited to,
22 provisions of Article 19 § 13 and Amendment Nos. 30, 38, 62, 65, and 78 are
23 repealed to the extent of such conflict.

24 /s/ Broadway