

**Stricken language would be deleted from and underlined language would be added to the Arkansas Constitution.**

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

2 87th General Assembly

3 Regular Session, 2009

SJR 6

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5 By: Senator Broadway

6 *By: Representatives Maloch, Dismang*

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**SENATE JOINT RESOLUTION**

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*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.*

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**Subtitle**

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*PROPOSING A CONSTITUTIONAL AMENDMENT TO  
AMEND VARIOUS PROVISIONS OF THE ARKANSAS  
CONSTITUTION CONCERNING BONDS ISSUED BY  
AND LOANS MADE BY OR TO GOVERNMENTAL  
UNITS.*

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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:

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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:

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

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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.

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22 Section 4. Energy Efficiency Project Bonds – Issuance – Terms and  
23 conditions.

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

28 (b) Bonds may be secured by a pledge of the savings from the energy  
29 efficiency project and may be repaid from general revenues, special revenues,  
30 revenues derived from taxes or any other revenues available to the  
31 governmental unit.

32 (c) The authority conferred by this Section 4 shall be supplemental to  
33 other constitutional provisions which authorize the issuance of bonds.

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35 SECTION 5. The ballot title for this amendment shall be:

36 An amendment to the Arkansas Constitution to remove the constitutional

1 interest rate limits on bonds issued by and loans made by or to governmental  
2 units by repealing the interest rate limitations set forth in Article 19 §  
3 13, and Amendment Nos. 30, 38, 62, 65, and 78 of the Arkansas Constitution  
4 with respect to such bonds and loans; and to authorize governmental units to  
5 issue bonds to finance energy efficiency projects to be secured by cost  
6 savings and repaid from any available source.

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8 SECTION 6. Nothing set forth in this act shall limit the power of the  
9 General Assembly to fix, from time to time, one or more interest rate limits  
10 on various types of bonds and loans.

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

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17 SECTION 8. The provisions of this Amendment shall be self-executing.

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19 SECTION 9. The provisions of this Amendment shall apply to all bonds  
20 issued and loans made in whole or in part after the effective date of this  
21 Amendment.

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23 SECTION 10. All provisions of the Constitution of 1874 or Amendments in  
24 conflict with this Amendment relating to limitation of the charging or paying  
25 of interest or the limitation on the rate of interest that a governmental  
26 unit can pay or be charged on its indebtedness including, but not limited to,  
27 provisions of Article 19 § 13 and Amendment Nos. 30, 38, 62, 65, and 78 are  
28 repealed to the extent of such conflict.

29 /s/ Broadway  
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