

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

# A Bill

SENATE BILL 541

5 By: Senator Maloch  
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## For An Act To Be Entitled

8 AN ACT TO AMEND THE LOCAL GOVERNMENT BOND ACT OF  
9 1985; TO ALLOW REVENUES FROM THE TEMPORARY SALES AND  
10 USE TAX LEVIED UNDER AMENDMENT 91 TO THE ARKANSAS  
11 CONSTITUTION TO BE PLEDGED TO RETIRE LOCAL CAPITAL  
12 IMPROVEMENT BONDS ISSUED FOR CERTAIN PROJECTS; AND  
13 FOR OTHER PURPOSES.  
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## Subtitle

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16 TO ALLOW REVENUES FROM THE TEMPORARY  
17 SALES AND USE TAX LEVIED UNDER AMENDMENT  
18 91 TO THE ARKANSAS CONSTITUTION TO BE  
19 PLEDGED TO RETIRE LOCAL CAPITAL  
20 IMPROVEMENT BONDS ISSUED FOR CERTAIN  
21 PROJECTS.  
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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27 SECTION 1. Arkansas Code § 14-164-303(2)(C)(xxxi), concerning the  
28 definition of "capital improvements of a public nature" under Amendment 62 to  
29 the Arkansas Constitution, is amended to read as follows:

30 (xxxi) Streets and street lighting, alleys,  
31 sidewalks, roads, bridges, ~~and viaducts, pathways, tunnels, overpasses,~~  
32 underpasses, interchanges, access roads, pedestrian walkways, traffic control  
33 devices and improvements, trails, and bicycle paths;  
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35 SECTION 2. Arkansas Code § 14-164-303, concerning the definitions to  
36 be used under the Local Government Bond Act of 1985, is amended to add an



1 additional subdivision to read as follows:

2 (15) "Surface transportation project" means a project that  
3 involves the acquisition, construction, reconstruction, widening, extension,  
4 or maintenance of streets, alleys, pathways, or roadways, including without  
5 limitation bridges, viaducts, tunnels, overpasses, underpasses, interchanges,  
6 access roads, sidewalks, lighting, pedestrian walkways, trails, bicycle  
7 paths, curbs, gutters, other drainage structures and improvements, street  
8 lighting, traffic control devices and improvements, land and right-of-way  
9 acquisitions, and any project related thereto.

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11 SECTION 3. Arkansas Code Title 14, Chapter 164, Subchapter 3, is  
12 amended to add an additional section to read as follows:

13 14-164-341. Bonds for surface transportation projects.

14 (a) The governing body of a municipality or county may pledge by  
15 ordinance all or a specified portion of the municipality's or county's share  
16 of collections of the temporary one-half percent (0.5%) sales and use tax  
17 levied under Amendment 91 to the Arkansas Constitution to retire bonds issued  
18 for a surface transportation project.

19 (b)(1) An ordinance pledging revenues under subsection (a) of this  
20 section is not effective unless the issuance of the bonds is approved by a  
21 majority of the electors of the municipality or county voting on the question  
22 at an election that is held substantially in the manner provided under § 14-  
23 164-309.

24 (2) The ballot form in an election to issue bonds secured by the  
25 pledge of revenues under subsection (a) of this section shall contain a  
26 statement describing the extent to which the municipality's or county's share  
27 of collections of the temporary one-half percent (0.5%) sales and use tax  
28 levied under Amendment 91 to the Arkansas Constitution may be pledged to the  
29 retirement of the bonds issued for the surface transportation project if the  
30 bonds are approved by the voters of the municipality or county.

31 (c) Bonds issued under this section shall not have a final maturity  
32 date later than July 1, 2023.

33 (d) A certified copy of the ordinance authorizing the issuance of  
34 bonds under this section shall be filed with the Director of the Department  
35 of Finance and Administration and the Treasurer of State as soon as  
36 practicable after the approval of the issuance of the bonds by the voters.

1       (e)(1) If a municipality or county has filed an ordinance with the  
2 Treasurer of State under subsection (d) of this section and the  
3 municipality's or county's share of collections of the temporary one-half  
4 percent (0.5%) sales and use tax levied under Amendment 91 to the Arkansas  
5 Constitution is to be distributed to the municipality or county from the  
6 Municipal Aid Fund or the County Aid Fund, the Treasurer of State shall  
7 separately identify the amount of funds to be distributed to the municipality  
8 or county under Amendment 91 to the Arkansas Constitution.

9       (2) If a municipality or county has filed an ordinance with the  
10 Treasurer of State under subsection (d) of this section, the municipality or  
11 county may elect to have the funds identified by the Treasurer of State under  
12 subdivision (e)(1) of this section distributed to the bank or other  
13 depository designated in the ordinance.

14       (3)(A) If a municipality or county elects to have funds  
15 distributed to a bank or other depository under subdivision (e)(2) of this  
16 section, the amount identified by the Treasurer of State under subdivision  
17 (e)(1) of this section shall be distributed to the bank or other depository  
18 designated in the ordinance rather than being distributed to the municipality  
19 or county.

20       (B) The distribution under subdivision (e)(3)(A) of this  
21 section shall continue until the municipality or county files a signed  
22 statement with the Treasurer of State to the effect that the bonds to which  
23 the funds identified under subdivision (e)(1) of this section are pledged  
24 have been fully paid and are no longer outstanding.

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26       SECTION 4. EMERGENCY CLAUSE. It is found and determined by the  
27 General Assembly of the State of Arkansas that there is a shortage of moneys  
28 at the municipal and county level to fund contracts for surface  
29 transportation projects for which there is an immediate need in this state;  
30 that municipalities and counties can obtain funding for surface  
31 transportation projects by issuing bonds; and that this act is immediately  
32 necessary because municipalities and counties need to have the authority,  
33 with voter approval, to issue bonds payable from their share of collections  
34 of the temporary one-half percent (0.5%) sales and use tax levied under  
35 Amendment 91 to the Arkansas Constitution to finance surface transportation  
36 projects. Therefore, an emergency is declared to exist, and this act being

1 immediately necessary for the preservation of the public peace, health, and  
2 safety shall become effective on:

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

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

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

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