

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

As Engrossed: H3/28/13

A Bill

SENATE BILL 541

5 By: Senator Maloch
6 *By: Representative Jean*
7

For An Act To Be Entitled

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

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

31 (xxxi) Streets and street lighting, alleys,
32 sidewalks, roads, bridges, ~~and viaducts, tunnels, overpasses, underpasses,~~
33 interchanges, access roads, pedestrian walkways, and traffic control devices
34 and improvements;
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36 SECTION 2. Arkansas Code § 14-164-303, concerning the definitions to



1 be used under the Local Government Bond Act of 1985, is amended to add an
2 additional subdivision to read as follows:

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

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

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

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

20 (b)(1) An ordinance pledging revenues under subsection (a) of this
21 section is not effective unless the issuance of the bonds is approved by a
22 majority of the electors of the municipality or county voting on the question
23 at an election that is held substantially in the manner provided under § 14-
24 164-309.

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

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

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

1 practicable after the approval of the issuance of the bonds by the voters.

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

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

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

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

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

1 projects. Therefore, an emergency is declared to exist, and this act being
2 immediately necessary for the preservation of the public peace, health, and
3 safety shall become effective on:

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

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

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

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