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OFFICE OF THE ATTORNEY GENERAL  
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STEVE CLARK  
ATTORNEY GENERAL  
OPINION NO. 85-65  
March 4, 1985

Honorable Jay Bradford  
State Senator  
P.O. Box 8367  
Pine Bluff, AR 71611

RE: Tourist Facility Assistance Law

Dear Senator Bradford:

This is in response to your request for an opinion concerning Arkansas Statutes Sections 19-5501 through 19-5508, which is commonly known as the City-County Tourist Meeting and Facilities Assistance Law. You have asked the following specific questions:

1. Does the Act permit reimbursement of a properly applying City or County for its expenditures to acquire or construct Eligible Facilities (as defined in the Act) up to the extent of 80% of such costs both for the portion financed by the use of Bonds and the portion expended by the City or County from other revenues available to it, or, instead, is a properly applying city or county limited to being paid 80% of the amount of its debt service obligation funded by its Bonds or, in the alternative, 80% of amounts expended by the city or county from other revenues to acquire and construct Eligible Facilities?

2. Is the maximum available amount of turnback funds to a properly applying city or county 80% of the annual debt service requirements including principal, interest and trustee's and paying agent's fees and charges on Bonds issued to finance all or a portion of Eligible Facilities or may the State Board of Finance, additionally, order payment of 80% of the additional cost of Eligible Facilities paid for by the applying city or county from non-bonded revenues (to the extent the total does not exceed two-thirds of the "additional State Sales Tax Revenues and additional State Income Tax Revenues estimated to be generated by the Eligible Facilities")?

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Act 569 of 1979 and Act 212 of 1979 each amended Act 763 of 1977 which originally created the reimbursement provisions for tourist facilities. The original Act and the amendments are compiled at Ark. Stat. Ann. §19-5501 et seq.

Section 1 of Act 569 of 1979 set out the purpose of that amendment. The pertinent language is:

....The General Assembly further finds and hereby declares that the investment by cities and counties in financing acquisition and construction of tourist entertainment facilities and tourist meeting facilities from other revenues available to them have placed substantial economic burdens upon such cities and counties which it is the purpose and intention of this amendment to alleviate, in part, by authorizing state assistance in the repayment of a portion of the amount so invested by such cities and counties in addition to the assistance provided by Act 212 of the Acts of Arkansas 1979.

[Emphasis supplied]

Act 212 had relieved the cities and counties of the necessity of having general obligation bonds as the sole means for obtaining any reimbursement and authorized the use of revenue bonds and the reimbursement of those revenue bonds.

While there is language that appears at Ark. Stat. Ann. §19-5504 (a), which might leave the impression that cities and counties must make an election between being reimbursed for eighty (80%) percent of their bonded indebtedness or eighty (80%) percent of other revenues used by the city. By reading the Act as a whole, rather than isolating this particular language, it seems clear that the purpose of the Act was to relieve the financial burden that is created by cities and counties financing such facilities. It is a standard rule of statutory construction that an Act must be read in its entirety to determine the purpose of the Act. Garrett v. Cline, 257 Ark. 829, 520 S.W.2d 281 (1975).

Therefore, in direct response to question number one, the Act appears to permit reimbursement of a properly applying city or county for its expenditures to acquire or construct eligible facilities up to the extent of eighty (80%) percent of such costs both for the portion financed by the use of bonds and the portion expended by the city or county from other revenues available to it.

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In response to question number two the maximum available amount of turnback funds to a properly applying city or county is eighty (80%) percent of the debt service requirements including principal, interest and trustees and paying agents fees and charges on bonds issued to finance all or a ~~portion of eligible facilities and, in addition eighty (80%)~~ percent of the additional cost of eligible facilities paid for by the applying city or county from non-bonded revenues (to the extent that the total does not exceed two-thirds of the additional state sales tax revenues and additional state income tax revenues estimated to be generated by the eligible facilities).

The foregoing opinion, which I hereby approve, was prepared by Deputy Attorney General Robert R. Ross.

Sincerely,

  
STEVE CLARK  
Attorney General

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