

**CONSTITUTIONAL AMENDMENT (OR OTHER MEASURE) REFERRED TO THE
PEOPLE**

BY THE GENERAL ASSEMBLY

NOTICE TO THE PUBLIC

Pursuant to Article 19, Section 22, of the Arkansas Constitution, the 95th General Assembly refers the following constitutional amendment to a vote of the people on November 3, 2026, and will appear on the ballot as Issue No. 3. Each elector upon voting his/her ballot shall vote for or against this amendment. Underlined language would be added to the present Constitution.

Stricken language would be deleted from the present Constitution. This amendment was proposed in the Regular 2025 Session by Senator J. Dismang and filed as SJR 15.

ISSUE NO. 3

Popular Name

A Constitutional Amendment Concerning Economic Development in the State of Arkansas; and Authorizing the General Assembly to Provide for the Creation of Economic Development Districts Within Cities, Counties, or Cooperative Areas to Promote Economic Development Within the Economic Development District.

Ballot Title

AN AMENDMENT TO THE ARKANSAS CONSTITUTION CONCERNING ECONOMIC DEVELOPMENT IN THE STATE OF ARKANSAS; AND AUTHORIZING THE GENERAL ASSEMBLY TO PROVIDE FOR THE CREATION OF ECONOMIC DEVELOPMENT DISTRICTS WITHIN CITIES, COUNTIES, OR COOPERATIVE AREAS TO PROMOTE ECONOMIC DEVELOPMENT WITHIN THE ECONOMIC DEVELOPMENT DISTRICT.

BE IT RESOLVED BY THE SENATE OF THE NINETY-FIFTH 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. Loans and grants of public money. (a) Notwithstanding any other provision of the Arkansas Constitution, the General Assembly may provide for the creation of programs and the making of loans and grants of public money for the public purposes of:

(1) Development and diversification of the economy of the State of Arkansas;

(2) The elimination and prevention of unemployment or underemployment in the State of Arkansas;

(3) The development or expansion of transportation or commerce in the State of Arkansas; or

(4) The development or improvement of real estate in the State of Arkansas that contributes to economic development within the State of Arkansas.

(b) The authority under subsection (a) of this section includes without limitation providing for the creation of economic development districts.

SECTION 2. Economic development district projects.

(a) An economic development district may issue bonds for the purpose of financing projects within the economic development district.

(b) The bonds under subsection (a) of this section:

(1) May be secured by and be payable from all or a portion of any funds received by or allocated to the economic development district;

(2) Shall not be considered in calculating debt limits for bonds issued under Arkansas Constitution, Article 12, § 4; and

(3) Shall not be subject to the provisions of:

(A) Arkansas Constitution, Article 16, § 1;

(B) Arkansas Constitution, Amendment 62; or

(C) Arkansas Constitution, Amendment 65.

SECTION 3. Implementation. The General Assembly shall provide by law for the implementation of this amendment.

SECTION 4. Arkansas Constitution, Article 12, § 5, is amended to read as follows:

§ 5. Political subdivisions not to become stockholders in or lend credit to private corporations — Exceptions.

(a) No county, city, town or other municipal corporation, shall become a stockholder in any company, association, or corporation; or obtain or appropriate money for, or loan its credit to, any corporation, association, institution, or individual.

(b) However, a county, city, town, or other municipal corporation may obtain or appropriate money for a corporation, association, institution, or individual to:

- (1) Finance economic development projects; ~~or~~
- (2) Provide economic development services; or
- (3) Provide funding or lend credit to an economic development district.

(c) As used in this section:

(1) "Economic development district" means a designated area within a city, county, or cooperative area established under authority granted by the General Assembly to promote economic development within the designated area;

~~(1)(2)~~ "Economic development projects" means the land, buildings, furnishings, equipment, facilities, infrastructure, and improvements that are required or suitable for the development, retention, or expansion of:

- (A) Manufacturing, production, and industrial facilities;
- (B) Research, technology, and development facilities;
- (C) Recycling facilities;
- (D) Distribution centers;
- (E) Call centers;
- (F) Warehouse facilities;
- (G) Job training facilities;
- (H) Regional or national corporate headquarters facilities; ~~and~~
- (I) Sports complexes designed to host local, state, regional, and national competitions, including without limitation baseball, softball, and other sports tournaments; and
- (J) An economic development district as authorized by the General Assembly and designated as part of an economic development plan;

~~(2)(3)~~ "Economic development services" means:

(A) Planning, marketing, and strategic advice and counsel regarding job recruitment, job development, job retention, and job expansion;

(B) Supervision and operation of industrial parks or other such properties;
and

(C) Negotiation of contracts for the sale or lease of industrial parks or other such properties; and

~~(3)~~(4) “Infrastructure” means:

(A) Land acquisition;

(B) Site preparation;

(C) Road and highway improvements;

(D) Rail spur, railroad, and railport construction;

(E) Water service;

(F) Wastewater treatment;

(G) Employee training which may include equipment for such *purpose*;

and

(H) *Environmental mitigation or reclamation.*

(d) The General Assembly, by a three-fourths vote of each house, may amend the provisions of subsections (b) and (c) of this section so long as the amendments are germane to this section and consistent with its policy and purposes.

SECTION 5. Arkansas Constitution, Article 16, § 5, is amended to read as follows:

§ 5. Property taxed according to value — Procedures for valuation — Tax exemptions.

(a) All real and tangible personal property subject to taxation shall be taxed according to its value, that value to be ascertained in such manner as the General Assembly shall direct, making the same equal and uniform throughout the State. No one species of property for which a tax may be collected shall be taxed higher than another species of property of equal value, except as provided and authorized in Section 15 of this Article, and except as authorized in Section 14 of this Article. The General Assembly, upon the approval thereof by a vote of not less than three-fourths ($\frac{3}{4}$ ths) of the members elected to each house, may establish the methods and procedures for valuation of property for taxation purposes, but may not alter the method of valuation set forth in Section 15 of this Article.

(b)(1) The following property shall be exempt from taxation: public property used exclusively for public purposes; churches used as such; cemeteries used exclusively as such; school buildings and apparatus; libraries and grounds used exclusively for school purposes; and buildings and grounds and materials used exclusively for public charity.

(2) If property exempt from taxation under subdivision (b)(1) of this section is included in an economic development district, the tax status of the property shall not change.

(c) Property located within an economic development district created by the General Assembly shall be exempt from taxation except for taxes, assessments, or other charges levied by the economic development district of which the property is a part.

(d) Nothing in this Section shall affect or repeal the provision of Amendment 57 to the Constitution of the State of Arkansas pertaining to intangible personal property.

SECTION 6. Arkansas Constitution, Amendment 62, § 6, is amended to read as follows:

§ 6. Conduct of elections.

(a) The General Assembly may enact laws governing the conduct of elections authorized by this Amendment. Absent the enactment of such laws, such elections shall be held, called and conducted in accordance with the laws governing elections generally. The results of such election shall be published in a newspaper of general circulation in the county or municipality (as the case may be) and any contest of such election or the tabulation of the votes therein shall be brought within thirty (30) days after such publication or shall be forever barred.

(b)(1) Any bonds or other obligations of a county, municipality, or other political subdivision facilitating the development and diversification of the economy of the state that are issued for the purpose of making loans or grants in connection with a program authorized by the General Assembly under this amendment and that are payable from ad valorem taxes shall be approved by a vote of the majority of the qualified electors of the county, municipality, or political subdivision voting on the issue.

(2) A program created or a loan or grant made by an economic development district that is secured by a pledge of ad valorem taxes or financed by the issuance of any bonds or other obligations payable from ad valorem taxes of the economic development district does not constitute or create a debt for the purpose of any provision of this Constitution.

SECTION 7. Repealer — Construction.

(a) Any provision of this Constitution, including without limitation amendments to this Constitution, that conflicts with or is in any way inconsistent with this amendment is repealed or deemed modified to give precedence to this amendment.

(b) This amendment supersedes all previous constitutional provisions, amendments, laws, or judicial interpretations that conflict with this amendment's terms.

(c) If this amendment conflicts with any existing constitutional provision, amendment, law, or judicial interpretation, this amendment shall prevail and be given full force and effect.

SECTION 8. Severability. The provisions of this amendment are severable, and if any provision of this amendment should be held invalid, the remainder shall stand.

SECTION 9. Effective date. This amendment to the Arkansas Constitution shall be effective on and after January 1, 2027.