

"AN ACT TO AUTHORIZE THE SEVERAL SCHOOL DISTRICTS OF THIS STATE TO ACCEPT INTEREST-FREE LOANS FROM FEDERAL AGENCIES IF APPROVED BY THE STATE BOARD OF EDUCATION; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. The public school districts of this State are hereby authorized to accept interest-free loans from agencies of the federal government if incurring such indebtedness is approved by the State Board of Education. The State Board of Education shall not grant its approval unless it is satisfied that the projected revenues and expenses of the school district during the duration of the loan indicate that the school district will be able to retire the debt. Furthermore, all such loans accepted by public school districts prior to the effective date of this Act are hereby ratified and declared valid.

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 3. Emergency. It is hereby found and determined by the General Assembly that present law is unclear as to whether school districts may accept interest-free loans from the federal government; that this Act provides a mechanism for the acceptance of such loans by school districts; and that this Act should be given immediate effect in order allow school districts to take advantage as soon as possible of interest-free loans provided by federal agencies. Therefore, an emergency is hereby declared to exist and this Act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: 6-12-87

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