

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representatives Thicksten and Mahony**

A BILL ACT 618 OF 1991
HOUSE BILL 1004

For An Act To Be Entitled

8 "AN ACT TO PROVIDE FOR THE REPAYMENT TO THE STATE OF
9 CONSOLIDATION OR ANNEXATION INCENTIVE FUNDS BY SCHOOL
10 DISTRICTS UNDER CERTAIN CIRCUMSTANCES; AND FOR OTHER
11 PURPOSES."

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

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15 SECTION 1. (a) *From the date of this Act, the following provisions*
16 *shall apply to a school district which is formed by the consolidation or*
17 *annexation of one or more school districts and which receives consolidation or*
18 *annexation incentive funds pursuant to A.C.A. §6-20-309, or any consolidation*
19 *or annexation incentive fund provision hereafter enacted:*

20 (1) The district or any portion of the district shall repay to
21 the state the full or apportioned amount of incentive funds received for a
22 consolidation or annexation if any of the following occur:

23 (A) The district subsequently dissolves and districts with
24 the same or substantially the same boundaries as the former districts had
25 prior to consolidation or annexation are formed;

26 (B) The district subsequently dissolves and consolidates or
27 annexes the district, or a portion thereof, to another district in a manner
28 which inhibits the ability of any district to desegregate or to remain
29 desegregated; or

30 (C) The district subsequently dissolves and consolidates or
31 annexes the district, or a portion thereof, to another district in a manner
32 which hampers the ability of the state to ensure that students of the
33 resulting district or districts are provided a quality education in an
34 efficient manner.

35 (2) The district or any portion of the district for which (1)
36 above applies shall be liable to the State Department of Education for the

1 full or apportioned amount of consolidation or annexation incentive funds.
2 Such amount shall be paid from the assets of the district prior to dissolution
3 of the district. The Department of Education may withhold from any MFPA due
4 the district, the amount of repayment funds, or a portion thereof.

5 (3) In the event full repayment is not made as required under (2)
6 above, the Department shall withhold from those districts which are formed as
7 a result of the dissolution, future minimum foundation aid in the amount of
8 the repayment owed. The repayment shall be apportioned among the districts on
9 a per ADM basis unless the State Board of Education determines that such
10 apportionment would be inequitable. In such case, the State Board shall
11 apportion the repayment among the districts upon an equitable basis.

12 (b) Any district created following the dissolution of a school district
13 under (a) above or the dissolution and consolidation or annexation of a school
14 district under (a) above, shall be ineligible to receive consolidation or
15 annexation incentive funds pursuant to A.C.A. §6-20-309 or any consolidation
16 or annexation incentive fund provision hereafter enacted for the resulting
17 district.

18 (c) The State Board of Education is authorized to adopt any rules and
19 regulations necessary to implement the provisions of this act, including rules
20 and regulations for determining if a dissolution and subsequent consolidation
21 or annexation resulting in substantially the same boundaries being created,
22 has inhibited the ability of a district to desegregate or has inhibited the
23 ability of a district to provide a quality education in an efficient manner.

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25 SECTION 2. This act shall be in addition to any remedies available to
26 the State under current laws and regulations.

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28 SECTION 3. All provisions of this act of a general and permanent nature
29 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
30 Revision Commission shall incorporate the same in the Code.

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32 SECTION 4. If any provision of this Act or the application thereof to
33 any person or circumstance is held invalid, such invalidity shall not affect
34 other provisions or applications of the Act which can be given effect without
35 the invalid provision or application, and to this end the provisions of this
36 Act are declared to be severable.

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SECTION 5. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 6. EMERGENCY. It is hereby found and determined by the General Assembly of the State of Arkansas that some school districts which have received incentive funds for consolidating or annexing are considering dissolution of those consolidations and annexations; that such action would not be in the best interests of students attending such districts; and that such dissolutions might hamper the ability of the state to ensure that school districts provide quality education in an equitable and efficient manner. Therefore, an emergency is hereby declared to exist and this act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

/s/Thicksten and Mahony

APPROVED: 3-19-91

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