

As Engrossed: 3/5/91

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Senator Malone**

A BILL ACT 1185 OF 1991
SENATE BILL 607

For An Act To Be Entitled

8 "AN ACT TO AMEND TITLE 6, CHAPTER 20, SUBCHAPTER 8 OF THE
9 ARKANSAS CODE OF 1987 TO CLARIFY THE AUTHORITY OF THE
10 STATE BOARD OF EDUCATION TO SELL REVOLVING LOAN BONDS AND
11 CERTIFICATES OF INDEBTEDNESS; AND FOR OTHER 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. Arkansas Code §6-20-811 is hereby amended to read as
16 follows:

17 "6-20-811. Delivery of obligations - Drawing and receipt of warrant -
18 Use of funds.

19 (a) All such obligations shall be delivered to the State Board of
20 Education, and coincident therewith the Director of General Education shall
21 cause a state warrant to be drawn upon the Revolving Loan Fund or the
22 Revolving Certificate Proceeds Account, payable to the treasurer of the
23 issuing school district if the school district has a treasurer or to the
24 county treasurer of the county in which the district is located if the school
25 district does not have a treasurer, in an amount equal to the principal amount
26 of the bonds or certificates of indebtedness.

27 (b) Upon receipt of the state warrant, the school district treasurer or
28 the county treasurer, as the case may be, shall deposit the proceeds thereof
29 to the credit of the school district, and such funds shall thereafter be used
30 by the school district only for the purposes for which the loan is granted.

31 (c) All *bonds and certificates* shall be negotiable instruments, as set
32 forth in §6-20-806, and any or all such obligations may be assigned and sold
33 by the Director of General Education.

34 (d) Any sale pursuant to subsection (c) above shall be in the open
35 market upon not fewer than four (4) quotation bids and, in consummation of any
36 such sale, the Director of General Education, or such other person as may be

1 designated by the State Board of Education, may execute and deliver such
2 assignments, notices, servicing agreements and other agreements and writings
3 as may be appropriate.

4 (e) The proceeds of any sale pursuant to this section shall be
5 deposited in the Revolving Certificate Proceeds Account.

6 (f) *The State Board of Education shall have authority to adopt rules
7 and regulations necessary to implement this section.*"

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9 SECTION 2. Arkansas Code §6-20-812 is hereby amended to read as
10 follows:

11 "6-20-812. Interest and payments of principal deposited in State
12 Treasury. (a) Subject to the provisions of subsection (b) below, all
13 interest received on securities held in the Revolving Loan Fund shall be
14 deposited in the State Treasury and credited to the Permanent School Revolving
15 Loan Fund.

16 (b) In the event of the sale of any school district obligations
17 pursuant to §6-20-811, all principal and interest payments on such school
18 district obligations shall be regarded and treated as cash funds and shall not
19 be deposited in the Treasury, but shall be deposited in a bank or banks
20 approved by the Director of General Education."

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

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26 SECTION 4. If any provision of this act or the application thereof to
27 any person or circumstance is held invalid, such invalidity shall not affect
28 other provisions or applications of the act which can be given effect without
29 the invalid provision or application, and to this end the provisions of this
30 act are declared to be severable.

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

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35 SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the

1 Seventy-Eighth General Assembly that there is an immediate need for funds for
2 elementary and secondary education in Arkansas and for funds which may be
3 available for loans to Arkansas school districts pursuant to the revolving
4 loan program operated by the State Board of Education and that, accordingly,
5 the power of the Board to sell revolving loan school district obligations
6 should be clarified and confirmed. Therefore, an emergency is hereby declared
7 to exist and this act being necessary for the immediate preservation of the
8 public peace, health and safety shall be in full force and effect from and
9 after its passage and approval.

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/s/Malone

APPROVED: 4/10/91