

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

# A Bill

**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)

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

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

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

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

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

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

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

1 Act are declared to be severable.

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

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

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18 */s/Thicksten and Mahony*

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