

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

A Bill

SENATE BILL

For An Act To Be Entitled

8 "AN ACT TO AMEND TITLE 6, CHAPTER 20, SUBCHAPTER 12 OF THE
9 ARKANSAS CODE OF 1987, TO AUTHORIZE SCHOOL DISTRICTS TO
10 ISSUE BONDS TO FINANCE SCHOOL BUSES; 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. Arkansas Code §6-20-1201 is hereby amended to read as
16 follows:

17 "6-20-1201. Authority to borrow money and issue negotiable coupon
18 bonds. All school districts are authorized to borrow money and issue
19 negotiable bonds for the repayment thereof from school funds for the building
20 and equipment of school buildings, making additions and repairs thereto,
21 purchasing sites therefor, purchasing new or used school buses, and
22 refurbishing school buses, as provided in this act."

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24 SECTION 2. Arkansas Code §6-20-1202 is hereby amended to read as
25 follows:

26 "6-20-1202. Limitations of bonded indebtedness - Conversion of
27 authorized bond issues.

28 (a) For acquiring a building site, building or equipping a new school
29 building, repairing, making additions to, or equipping a present school
30 building, or purchasing new or used school buses or refurbishing school buses,
31 any school district of the State of Arkansas is authorized to borrow money and
32 issue negotiable bonds for the repayment thereof from school funds to an
33 amount which, together with the bonded indebtedness of the district
34 outstanding at the time of the issuance, shall not exceed eighteen percent
35 (18%) of the sum of the then-assessed valuation of the real and personal

1 property in the district as shown by the last county assessment, and an
2 equivalent assessed value computed as follows: Average of total annual
3 receipts from federal forest reserve, flood control, and mineral leasing
4 turnback received by the district in lieu of taxes for the three (3)
5 immediately preceding years divided by forty (40) mills.

6 (b) The limitation hereinabove fixed shall not prohibit the conversion
7 of authorized bond issues to bonds bearing a lower rate of interest, subject
8 to the approval of the Director of General Education, upon such terms that the
9 district shall receive no less and pay no more in principal and interest
10 combined than it would receive and pay in principal and interest combined if
11 the bonds were not converted.

12 (c) However, if the State Board of Education shall determine that any
13 school district is unable, due to unexpected, unforeseen, or extreme hardship,
14 to finance needed school facilities because of the limitation imposed above on
15 the borrowing power of the district, the board may permit the district, upon
16 application therefor, to increase its total indebtedness to such amount as may
17 be approved by the board, but not to exceed twenty-one percent (21%) of the
18 then-assessed valuation of the real and personal property in the district as
19 shown by the last county assessment, and an equivalent assessed value computed
20 as follows: the average of total annual receipts from federal forest reserve,
21 flood control, mineral leasing, and payments in lieu of taxes from industries
22 or other sources covered by §§14-164-201 - 14-164-224 for the three (3)
23 immediately preceding years divided by forty (40) mills."
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25 SECTION 3. All provisions of this act of a general and permanent nature
26 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
27 Revision Commission shall incorporate the same in the Code.

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

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

1 hereby repealed.

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3 SECTION 6. EMERGENCY. It is hereby found and determined by the
4 Seventy-Eighth General Assembly that the Arkansas school districts have an
5 urgent need to replace aging school buses, acquire additional school buses,
6 and refurbish existing buses which were manufactured after 1977 in order to
7 provide safe, dependable and effective transportation for public school
8 students, and that it is necessary to amend existing law to permit school bus
9 financing through the issuance of commercial bonds in order to allow school
10 districts to finance buses at the lowest possible cost. Therefore, an
11 emergency is hereby declared to exist and this act being necessary for the
12 immediate preservation of the public peace, health and safety shall be in full
13 force and effect upon its passage and approval.

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