

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**

A Bill

HOUSE BILL

4 **By: Representative John Miller**

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For An Act To Be Entitled

8 "AN ACT TO AMEND VARIOUS SECTIONS OF TITLE 15, CHAPTER 5,
9 SUBCHAPTER 4 OF THE ARKANSAS CODE OF 1987 ANNOTATED, AS
10 AMENDED, TO ESTABLISH A SUPPLEMENTAL GUARANTY RESERVE
11 ACCOUNT; AND FOR OTHER PURPOSES."

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Subtitle

14 "AN ACT TO ESTABLISH A SUPPLEMENTAL GUARANTY RESERVE
15 ACCOUNT."

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

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19 SECTION 1. Arkansas Code 15-5-403 is amended to read as follows:

20 "15-5-403. Definitions. As used in this subchapter, unless the context
21 otherwise requires:

22 (1) Act means the Arkansas Development Finance Authority Bond
23 Guaranty Act of 1985;

24 (2) ADFA Act means the Arkansas Development Finance Authority Act, as
25 amended;

26 (3) Amortization payments means the periodic (monthly, semiannual,
27 annual, etc.) payments of interest on, premium, if any, and installments of
28 principal of qualified bonds as required by the trust indenture relating to
29 the bonds;

30 (4) Authority means the Arkansas Development Finance Authority;

31 (5) Board means the board of directors of the authority;

32 (6) Bond Fund means the Guaranty Bond Fund hereinafter authorized
33 from which bonds issued by the authority for the purpose of meeting the
34 obligations of the Bond Guaranty Reserve Account are payable;

35 (7) Developer means the individual, firm, or corporation, whether for

1 profit or nonprofit, charged with developing the project under the terms of
2 the trust indenture relating to qualified bonds;

3 (8) Guaranty Reserve Account means the Bond Guaranty Reserve Account
4 created in this subchapter for the purpose of meeting amortization payments of
5 qualified bonds guaranteed by the authority and for the purpose of enhancing
6 and supporting the credit of those qualified bonds;

7 (9) Project means the project for which the proceeds of qualified
8 bonds are utilized;

9 (10) Qualified bonds means revenue bonds validly issued by the
10 authority in accordance with the provisions of the ADFA Act or by any city,
11 county, or other political subdivision of this state;

12 (11) State means the State of Arkansas;

13 (12) Supplemental Guaranty Reserve Account means an account which may
14 be established by the Authority for the purpose of enhancing the Guaranty
15 Reserve Account."

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17 SECTION 2. Arkansas Code 15-5-414 is amended to read as follows:

18 "15-5-414. Authority to use money committed to other projects.

19 (a) If the authority shall at any time determine that the moneys in the
20 Guaranty Reserve Account created and being maintained pursuant to the
21 provisions of this subchapter are not, or will not be, sufficient to meet the
22 obligations of the Guaranty Reserve Account, the authority is authorized to
23 use the necessary amount of any available moneys that it may have which are
24 not needed then or in the foreseeable future for, or committed to, other
25 authorized functions and purposes of the authority, and any such moneys so
26 used may be reimbursed out of the Guaranty Reserve Account if and when there
27 are moneys therein available for the purposes.

28 (b) In addition to the procedure described in subsection (a) of this
29 section, the Authority at its discretion by a majority vote of the board of
30 the Authority may establish a Supplemental Bond Guaranty Reserve Account by
31 depositing into a separate account moneys from unpledged reserves of the
32 Authority which may include grants from any state or federal agencies,
33 municipalities, corporation, foundations, individual donors or authorities.
34 However, upon determination that the Bond Guaranty Reserve Account is
35 sufficient to honor all foreseeable obligations of the guaranty program, the

1 Authority may use the funds in the Supplemental Guaranty Reserve Account for
2 other purposes approved by a majority vote of the board of the Authority."

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

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8 SECTION 4. If any provision of this act or the application thereof to
9 any person or circumstance is held invalid, such invalidity shall not affect
10 other provisions or applications of the act which can be given effect without
11 the invalid provision or application, and to this end the provisions of this
12 act are declared to be severable.

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

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