

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Senator Hoofman**

A Bill

SENATE BILL

For An Act To Be Entitled

8 "AN ACT AUTHORIZING THE BOARD OF TRUSTEES OF A TECHNICAL
9 COLLEGE TO ISSUE BONDS FOR FINANCING CAPITAL OUTLAY
10 EXPENSES OR IMPROVEMENTS; AND TO DECLARE AN EMERGENCY; AND
11 FOR OTHER PURPOSES."

Subtitle

14 "TO AUTHORIZE A TECHNICAL COLLEGE BOARD OF TRUSTEES TO
15 ISSUE BONDS FOR FINANCING CAPITAL OUTLAY EXPENSES OR
16 IMPROVEMENTS."

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

20 SECTION 1. As used in this act, unless the context otherwise requires,
21 "Board of Trustees" means the board of trustees of a technical college that is
22 a member of the Arkansas Technical and Community College System under the
23 coordination of the State Board of Higher Education.

25 SECTION 2. Subject to and in accordance with the terms of this act, a
26 board of trustees is authorized and empowered as a public agency of the State
27 of Arkansas to:

28 (1) Construct buildings, structures, parking facilities, or other
29 improvements which the board deems proper or suitable for the school and to
30 purchase sites therefor, if necessary;

31 (2) Purchase for such purpose buildings already constructed and the
32 tracts of land on which they are situated;

33 (3) Reconstruct, enlarge or repair, and equip any buildings or
34 structures of the technical college, including but not limited to, buildings
35 or structures constructed or purchased under authority of this act; and

1 (4) Purchase for such purposes and pay the expense of tearing down,
2 removing to the school, reconstructing, and equipping houses, buildings, or
3 structures.

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5 SECTION 3. The board of trustees is authorized and empowered to enter
6 into the necessary contracts for the borrowing of all or any part of the funds
7 that the board may determine will be required in connection with the financing
8 of the projects.

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10 SECTION 4. The board of trustees is authorized to utilize any funds
11 available to temporarily finance all or part of the projects and to make
12 reimbursement of the funds from the proceeds of the sale of any notes or bonds
13 issued to permanently finance the projects.

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15 SECTION 5. In evidence of any loan of funds, the board of trustees is
16 authorized and empowered to issue its negotiable interest-bearing notes or
17 bonds with a specific pledge, for the payment of the principal and interest
18 thereof, and the payment of agent_s fees only, all or any part of the
19 following:

20 (1) The gross tolls, fees, rents, and other charges to be derived as
21 income from the project;

22 (2) Any surplus not pledged of the gross tolls, fees, rents, and other
23 charges to be derived from other projects financed in whole or in part by
24 bonds or notes issued by the board;

25 (3) All or any part of revenues derived from any auxiliary enterprise
26 authorized by law;

27 (4) Tuition and fees collected from its students; and

28 (5) (A) Any funds received from the United States of America, or any
29 department or agency thereof, pursuant to any act of Congress, providing for
30 grants or payments to educational institutions in connection with, or in
31 anywise pertaining to, the financing of acquiring lands and constructing and
32 equipping buildings and improvements thereon.

33 (B) In regard to the funds referred to in (5) (A), the board is
34 authorized to take such action, comply with such terms and conditions, and
35 execute such agreements as may be necessary to apply for, receive, pledge, or

1 use such funds for the purposes specified in this act or any other lawful
2 purpose.

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4 SECTION 6. (a) The board of trustees shall not issue any notes or
5 bonds under the provisions of this act unless, prior to the issuance of such
6 notes or bonds, the board shall have obtained the advice of the State Board of
7 Higher Education as to the economic feasibility of the particular project to
8 be financed, in whole or in part, by those notes or bonds.

9 (b) The board of trustees shall submit to the State Board of Higher
10 Education information pertaining to the proposed project and other information
11 deemed pertinent to and requested by the State Board of Higher Education.

12 (c) The State Board of Higher Education shall notify the board of
13 trustees, within thirty (30) days from the date the information is submitted
14 to the State Board, of the State Board's advice with respect to the economic
15 feasibility of the particular project.

16 (d) The advice of the State Board of Higher Education under this
17 section shall not be binding on the board of trustees.

18 (e) The authority conferred upon the State Board of Higher Education by
19 this section shall not extend to the feasibility of the notes or bonds
20 proposed to be issued by the board of trustees or to any of the terms,
21 conditions, and provisions thereof, and this section shall not be construed to
22 impair in any way the validity of any notes or bonds issued by the board of
23 trustees under this act or impair or affect in any way the obligations of the
24 board of trustees or the rights of any holder or registered owner of the notes
25 or bonds.

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27 SECTION 7. (a) The notes or bonds shall be executed by the chairman
28 and secretary of the board of trustees.

29 (b) The coupon attached to the bonds may be executed by the facsimile
30 signature of the chairman.

31 (c) In case any of the officers whose signatures appear on the bonds or
32 coupons shall cease to be officers before delivery, the signatures shall
33 nevertheless be valid and sufficient for all purposes, the same as if they had
34 remained in office until delivery.

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1 SECTION 8. Notes or bonds shall be payable at such time or times and at
2 such place or places, shall be in such form and denominations, may be subject
3 to such terms of redemption, with or without a premium, shall bear such rate
4 or rates of interest, shall be payable annually or semiannually, and shall be
5 sold for such price and in such manner, as the board of trustees by resolution
6 shall determine.

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8 SECTION 9. (a) The bonds or notes shall be general obligations only of
9 the board of trustees, and in no event shall they be considered a debt for
10 which the faith and credit of the State of Arkansas or any of its revenues are
11 pledged.

12 (b) No member of any board shall be personally liable for the notes or
13 bonds, or for any damages sustained by anyone in connection with contracts for
14 loans or the construction of the buildings, unless it shall be made to appear
15 that he has acted with a corrupt intent.

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17 SECTION 10. (a) For the purpose of obtaining any loan or carrying out
18 any condition imposed by the original purchaser of the notes or bonds in
19 connection with any loan, the board of trustees may execute such documents and
20 enter into such agreements as it may deem necessary or proper in connection
21 therewith.

22 (b)(1) Any agreement entered into by the board of trustees shall be
23 binding in all respects upon the board of trustees and their successors from
24 time to time in accordance with the terms and all of the provisions of the
25 agreement.

26 (2) The terms and provisions shall be enforceable by appropriate
27 proceedings at law or in equity, or otherwise, provided no mortgage or other
28 lien shall be executed on any of the lands or buildings belonging to the State
29 of Arkansas.

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31 SECTION 11. (a) The board of trustees has the power and is authorized
32 to refinance, in whole or in part, from time to time, its valid outstanding
33 obligations issued under this act and any amendments hereto.

34 (b)(1) To that end, the board may issue negotiable refunding notes or
35 refunding bonds.

1 (2) This power may be exercised successively, and any obligations
2 which have once been refunded may thereafter from time to time be refunded.

3 (3) Negotiable refunding notes or refunding bonds shall be issued
4 upon the same terms and conditions as provided in this act for original
5 obligations.

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7 SECTION 12. All provisions of this act of a general and permanent
8 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
9 Code Revision Commission shall incorporate the same in the Code.

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11 SECTION 13. If any provision of this act or the application thereof to
12 any person or circumstance is held invalid, such invalidity shall not affect
13 other provisions or applications of the act which can be given effect without
14 the invalid provision or application, and to this end the provisions of this
15 act are declared to be severable.

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

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20 SECTION 15. EMERGENCY. It is hereby found and determined by the
21 Seventy-Ninth General Assembly that technical colleges are a necessary
22 component of higher education in Arkansas in order for quality educational
23 programs to be available to all segments of the state_s population; that the
24 technical colleges must achieve accreditation from the North Central
25 Association - Commission on Institutions of Higher Education by 1997 or they
26 will be abolished by the State Board of Higher Education; that in order to
27 achieve accreditation, new sources for funding capital outlay expenses and
28 improvements must be found; that under current law technical colleges may not
29 issue bonds, although community colleges and four-year institutions of higher
30 education have the authority to do so; that it is necessary for this act to
31 become effective immediately so that technical colleges can be fully
32 accredited before the 1997 deadline. Therefore, an emergency is hereby
33 declared to exist and this act being necessary for the immediate preservation
34 of the public peace, health and safety shall be in full force and effect from
35 and after its passage and approval.

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