

Act 836 of the 1989 Regular Session.

Act 836

SB508

By: Senator Hopkins

"AN ACT TO AMEND ARKANSAS CODE ANNOTATED 15-5-103(4), (7), (10), ARKANSAS CODE ANNOTATED 15-5-207(b)(11), DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code Ann. 15-5-103(4) is hereby amended to read as follows:

"(4) 'Bonds' means any bonds, notes, debentures, interim certificates, grant and revenue anticipation notes, commercial paper or other notes with maturities of one year or less, interest in a lease, lease certificate(s) of participation or other evidences of indebtedness, whether or not the interest on them is subject to federal income taxation, issued by the authority pursuant to subchapters 1, 2, and 3 of this chapter;"

SECTION 2. Arkansas Code Ann. 15-5-103(7) is hereby amended to read as follows:

"(7) 'Loans' mean loans made for the purposes of financing any of the activities authorized within this subchapter, including working capital, the acquisition of accounts (as defined at Arkansas Code Ann. 4-9-106) to finance working capital, and loans made to financial institutions for the purpose of funding or as security for loans made for the purpose of accomplishing any of the purposes of this subchapter, and reserves and expenses appropriate or incidental thereto."

SECTION 3. Arkansas Code Ann. 15-5-103 by adding a new subsection to read as follows:

"(17) 'Health care project costs' also specifically includes the refinancing of any existing debt of a health care facility necessary in order to permit the health care facility to borrow from the authority and give adequate security for the health care facility loan. The determination of the authority with respect to the necessity of refinancing and adequate security for a health care facility loan is conclusive. Health care project costs also includes the financing of working capital; provided that any health care facility loan to a health care facility located outside the State to finance working capital shall be made only if necessary to a program of working capital financing including a health care facility loan to a health care facility located within the State. The determination of the authority with respect to the necessity of such health care facility loans to health care facilities located outside the State is conclusive."

SECTION 4. Arkansas Code Ann. 15-5-207(b)(11) is hereby amended to read as follows:

"(11) To purchase notes or participations in notes evidencing loans which are secured by mortgages or security interests and to enter into contracts in that regard, or to purchase accounts to finance working capital. "

SECTION 5. All provisions of this Act of a general and permanent nature

are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 6. All laws and parts of laws in conflict with this Act are hereby repealed to the extent of such conflict.

SECTION 7. The provisions of this act are severable. If any provision shall be held to be invalid or to be inapplicable to any person or circumstance, such holding shall not affect the validity or the applicability of the remainder hereof.

SECTION 8. EMERGENCY. It is hereby found and determined by the Seventy-Seventh General Assembly that the financing of working capital is critical to the economic well-being of health care facilities and to the continued provision of health services for the public health and welfare. Affordable financing of working capital may require the participation of many health care facilities, not limited to those within the State. The legislature finds and declares that the responsibility of the State as outlined above cannot be effectively met without a program for financing working capital of health care facilities throughout the nation as provided for in this article, which is determined to be an essential governmental function and for a public purpose. Therefore, an emergency is hereby declared to exist and the act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: March 22, 1989

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