

As Engrossed: 2/26/92
As Engrossed: 2/27/92

1 **State of Arkansas**
2 **78th General Assembly**
3 **First Extraordinary Session, 1992**
4 **By: Senator Gordon**
5
6

A Bill ACT 53 OF 1992

Call Item 44
SENATE BILL 18

7 **For An Act To Be Entitled**

8 "AN ACT TO AMEND ARKANSAS 6-20-802 TO ALLOW THE DEPARTMENT
9 OF EDUCATION TO LOAN MONEY FROM THE REVOLVING LOAN FUND TO
10 SCHOOL DISTRICTS FOR MAINTENANCE AND OPERATION OF THE
11 SCHOOL DISTRICTS IN AN AMOUNT EQUAL TO DELINQUENT PROPERTY
12 TAXES RESULTING FROM BANKRUPTCIES OR RECEIVERSHIP OF
13 TAXPAYERS; AND FOR OTHER PURPOSES."
14

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
16

17 SECTION 1. Arkansas Code 6-20-802 is hereby amended to read as follows:

18 "6-20-802. Purposes of loan.

19 Subject to the conditions and limitations contained in this subchapter,
20 any school district may borrow, and the State Board of Education may lend,
21 moneys in the Revolving Loan Fund for any of the following purposes:

- 22 (1) Funding of its legally issued and outstanding postdated warrants;
- 23 (2) Purchase of new or used school buses or refurbishing school buses;
- 24 (3) Payment of premiums on insurance policies covering its school
25 buildings, facilities, and equipment in instances where the insurance coverage
26 extends three (3) years or longer; and replacement of or payment of the
27 district's pro rata part of the expense of employing professional appraisers
28 as authorized by §§ 26-26-601 - 26-26-607 or other laws providing for the
29 appraisal, or reappraisal, and assessment of property for ad valorem tax
30 purposes;
- 31 (4) Making major repairs and constructing additions to existing school
32 buildings and facilities;
- 33 (5) Purchase of surplus buildings and equipment;
- 34 (6) Purchase of sites for, and the cost of construction thereon of,
35 school buildings and facilities, and the purchase of equipment for such
36 buildings;

1 (7) Purchase of its legally issued and outstanding commercial bonds at
2 a discount, provided that a substantial savings in gross interest charges can
3 be thus effected;

4 (8) Refunding of all or any part of its legally issued and outstanding
5 debt, both funded and unfunded;

6 (9) For the purchase of equipment; and

7 (10) Loans to school districts for maintenance and operation of the
8 school districts in an amount equal to delinquent property taxes resulting
9 from bankruptcies or receivership of taxpayers. *For purposes of this*
10 *paragraph (10), the loan limits prescribed by Arkansas Code 6-20-803 shall be*
11 *increased by one hundred twenty-five thousand dollars (\$125,000)."*

12

13 *SECTION 2. Subchapter 4 of Chapter 20 of Title 6 of the Arkansas Code*
14 *is hereby amended by adding at the end thereof an additional section to read*
15 *as follows:*

16 *"6-20-413 The State Board of Education is hereby authorized to develop*
17 *indicators of fiscal distress in school districts and to promulgate the*
18 *necessary rules and regulations so that the Director of the General*
19 *Education Division of the Department of Education shall provide*
20 *technical assistance to school districts determined by the Director to*
21 *be in fiscal distress and shall ensure, to the extent possible, that a*
22 *fiscal crisis will not interrupt the educational services provided to*
23 *the students of a school district."*

24

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.*

28

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.*

34

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

1 hereby repealed.

2

3 SECTION 6. EMERGENCY. It is hereby found and determined by the General
4 Assembly that bankruptcies and receiverships result in delinquent property
5 taxes which results in substantial financial distress to school districts;
6 this act provides a mechanism for the State Department of Education to loan
7 money to school districts in such instances and should be given effect
8 immediately in order to protect the solvency of those school districts.
9 Therefore, an emergency is hereby declared to exist and this act being
10 necessary for the preservation of the public peace, health and safety shall be
11 in full force and effect from and after its passage and approval.

12

/s/Sen. Gordon

13

14

APPROVED: 3-17-92

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

1. Proposed 10/27/00

- 1
- 2