

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Second Extraordinary Session, 1994**  
4 **By: Representative Thicksten**

# A Bill

**Call Item 34**  
**ACT 49 OF 1994**  
**HOUSE BILL 1025**

## For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE ANNOTATED § 6-20-802 TO  
9 PROVIDE SCHOOL DISTRICTS GREATER FLEXIBILITY IN BORROWING  
10 MONEY FROM THE REVOLVING LOAN FUND ADMINISTERED BY THE  
11 STATE BOARD OF EDUCATION AND THE ARKANSAS DEPARTMENT OF  
12 EDUCATION; AND TO DECLARE AN EMERGENCY; AND FOR OTHER  
13 PURPOSES."

## Subtitle

16 "TO AMEND A.C.A. § 6-20-802 TO PROVIDE  
17 SCHOOL DISTRICTS GREATER FLEXIBILITY IN  
18 BORROWING MONEY FROM THE REVOLVING LOAN  
19 FUND."

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

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

25 "6-20-802. Purposes of loan. Subject to the conditions and limitations  
26 contained in this subchapter, any school district may borrow, and the State  
27 Board of Education may lend, moneys in the Revolving Loan Fund for any of the  
28 following purposes:

- 29 (1) Funding of its legally issued and outstanding postdated warrants;
- 30 (2) Purchase of new or used school buses or refurbishing school buses;
- 31 (3) Payment of premiums on insurance policies covering its school  
32 buildings, facilities, and equipment in instances where the insurance coverage  
33 extends three (3) years or longer; and replacement of or payment of the  
34 district's pro rata part of the expense of employing professional appraisers  
35 as authorized by §§ 26-26-601 - 26-26-607 or other laws providing for the  
36 appraisal, or reappraisal, and assessment of property for ad valorem tax

1 purposes;

2 (4) Making major repairs and constructing additions to existing school  
3 buildings and facilities;

4 (5) Purchase of surplus buildings and equipment;

5 (6) Purchase of sites for, and the cost of construction thereon of,  
6 school buildings and facilities, and the purchase of equipment for such  
7 buildings;

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

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

13 (9) Purchase of equipment; and

14 (10) Loans to school districts for maintenance and operation of the  
15 school districts in an amount equal to delinquent property taxes resulting  
16 from bankruptcies or receivership of taxpayers and for loans to school  
17 districts in an amount equal to insured facility loss or damage when the  
18 insurance claim is being litigated or arbitrated. For purposes of this  
19 subdivision, the loans become payable and due when the final settlement is  
20 made and the loan limits prescribed by § 6-20-803 shall not apply."

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22 SECTION 2. All provisions of this act of a general and permanent nature  
23 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
24 Revision Commission shall incorporate the same in the Code.

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26 SECTION 3. If any provision of this act or the application thereof to  
27 any person or circumstance is held invalid, such invalidity shall not affect  
28 other provisions or applications of the act which can be given effect without  
29 the invalid provision or application, and to this end the provisions of this  
30 act are declared to be severable.

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32 SECTION 4. All laws and parts of laws in conflict with this act are  
33 hereby repealed.

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35 SECTION 5. EMERGENCY. It is hereby found and determined by the Seventy

1 Ninth General Assembly, meeting in Second Extraordinary Session, that  
2 expanding the purposes for which school districts may borrow money from the  
3 Revolving Loan Program of the State Board of Education is essential to the  
4 financial stability of school districts when local taxes are tied up in court  
5 or when insurance claims are being litigated or arbitrated and that immediate  
6 implementation of the provisions of this Act are necessary for the efficient  
7 operation of the Revolving Loan Program. Therefore, an emergency is hereby  
8 declared to exist and this Act being necessary for the preservation of the  
9 public peace, health and safety shall be in full force and effect from and  
10 after its passage and approval.

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APPROVED: 8-25-94

