

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**
4 **By: Senator Mahony**

A Bill

ACT 756 OF 1995
SENATE BILL 596

For An Act To Be Entitled

8 "AN ACT TO AUTHORIZE EDUCATIONAL SERVICE COOPERATIVES TO
9 PARTICIPATE IN THE REVOLVING LOAN PROGRAM UNDER THE
10 JURISDICTION OF THE STATE BOARD OF EDUCATION; AND FOR
11 OTHER PURPOSES."

Subtitle

14 "TO AUTHORIZE EDUCATIONAL SERVICE
15 COOPERATIVES TO PARTICIPATE IN THE
16 REVOLVING LOAN PROGRAM UNDER THE
17 JURISDICTION OF THE STATE BOARD OF
18 EDUCATION."

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

22 SECTION 1. Title 6, Chapter 20, Subchapter 8 of the Arkansas Code
23 Annotated is hereby amended by adding an additional section to read as
24 follows:

25 "6-20-818. Loans to education service cooperatives.

26 (a) Subject to the conditions and limitations of this section, any
27 education service cooperative established under § 6-13-1001 et seq. may
28 borrow, and the State Board of Education may lend, moneys in the Revolving
29 Loan Fund.

30 (b) The maximum amount of money an education service cooperative may
31 owe the Revolving Loan Fund at any one time is that equal to a six (6) months
32 basic grant for the fiscal year in which a loan is sought.

33 (c) The board of directors of any education service cooperative desiring
34 to borrow money from the Revolving Loan Fund, acting through its director,
35 shall file a formal application with the State Board of Education. The
36 application shall contain the following information:

- 1 (1) Name and location of the cooperative;
- 2 (2) Date and place of meeting of board at which action was taken
- 3 authorizing the director to make formal application for a loan;
- 4 (3) Estimated amount which it proposes to borrow, together with
- 5 supporting evidence upon which the estimate is based;
- 6 (4) Purpose for which the proceeds of the loan would be used;
- 7 (5) Security for the loan and method and schedule for repayment;
- 8 and
- 9 (6) Such additional information as may be required by the State
- 10 Board of Education.

11 (d) After considering the merits of each application, the State Board
12 of Education may, in its discretion, approve the application for the full
13 amount of the proposed loan, approve the application for a loan of a lesser
14 amount than the amount requested, or disapprove the application.

15 (e) Each such loan, which is to be paid in full, both principal and
16 interest, within six (6) years from the date of its approval by the State
17 Board of Education shall be evidenced by a certificate executed by the
18 Director of the General Education Division of the State Department of
19 Education. Thereafter, each such certificate shall be a negotiable
20 instrument."

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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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APPROVED: 3-23-95