

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997
4

As Engrossed: S3/27/97

A Bill

ACT 1158 OF 1997
HOUSE BILL 2156

5 By: Representative Thicksten
6
7

For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE ANNOTATED § 6-20-308 TO
10 PROVIDE THAT SCHOOL DISTRICTS SHALL NOT LOSE ADDITIONAL
11 STATE FUNDING AS A RESULT OF REFUNDING OUTSTANDING BONDS
12 AT LOWER RATES OF INTEREST; TO DECLARE AN EMERGENCY; AND
13 FOR OTHER PURPOSES."
14

Subtitle

15 "TO PROVIDE THAT SCHOOL DISTRICTS SHALL
16 NOT LOSE ADDITIONAL STATE FUNDING AS A
17 RESULT OF REFUNDING OUTSTANDING BONDS AT
18 LOWER RATES OF INTEREST."
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code Annotated § 6-20-308 is amended to read as
24 follows:

25 "(a) After determining the amount of state equalization funding,
26 student classroom teaching funding, student unit funding, vocational funding,
27 general facilities funding, and student growth funding available to each local
28 school district, the Department of Education shall provide any additional
29 state funding necessary to ensure that the total state and local revenue per
30 average daily membership of each local school district is no less than the
31 minimum state and local revenue per average daily membership.

32 (b) A school district shall not lose any additional state funding as a
33 result of debt service savings produced by refunding outstanding bonds
34 provided that:

35 (1) The yearly savings produced by the refunding is deposited
36 into a Refunding Savings Building Fund and is used by the district for the

1 building and equipment of school buildings, major adaptations to a facility,
2 purchasing sites therefor; and

3 (2) Prior to the date the refunding bonds are sold at public
4 sale, the district submits a certificate to the Director of the Department of
5 Education, General Education Division, certifying that the yearly debt service
6 savings will be used for the purposes described in this subsection."

7
8 SECTION 2. All provisions of this act of a general and permanent nature
9 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
10 Revision Commission shall incorporate the same in the Code.

11
12 SECTION 3. If any provision of this act or the application thereof to
13 any person or circumstance is held invalid, such invalidity shall not affect
14 other provisions or applications of the act which can be given effect without
15 the invalid provision or application, and to this end the provisions of this
16 act are declared to be severable.

17
18 SECTION 4. All laws and parts of laws in conflict with this act are
19 hereby repealed.

20
21 SECTION 5. EMERGENCY. It is found and determined by the General
22 Assembly of the State of Arkansas that under current market conditions certain
23 school districts can refund outstanding bonds at lower rates of interest
24 producing substantial debt service savings in the district; that under current
25 law some districts may lose additional state funding if debt service savings
26 are produced; that this act is necessary to give incentive to districts to
27 refund their outstanding bonds at lower rates of interest and that this act
28 should be given immediate effect in order that school districts can take
29 advantage of favorable market conditions. Therefore, an emergency is declared
30 to exist and this act being immediately necessary for the preservation of the
31 public peace, health and safety shall become effective on the date of its
32 approval by the Governor. If the bill is neither approved nor vetoed by the
33 Governor, it shall become effective on the expiration of the period of time
34 during which the Governor may veto the bill. If the bill is vetoed by the
35 Governor and the veto is overridden, it shall become effective on the date the
36 last house overrides the veto.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35

/s/Thicksten

APPROVED: 4-07-97