

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

A Bill

ACT 1265 OF 1997
HOUSE BILL 2133

4
5 By: Representative Hendren
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For An Act To Be Entitled

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9 "AN ACT AMENDING ARKANSAS CODE ANNOTATED §§ 6-20-402 AND
10 6-20-802 TO AUTHORIZE SCHOOL DISTRICTS TO ISSUE POSTDATED
11 WARRANTS AND BORROW MONEY FROM THE REVOLVING LOAN FUND FOR
12 THE PURPOSE OF PAYING OFF LOANS SECURED FOR SETTLEMENTS
13 RESULTING FROM LITIGATION AGAINST THE DISTRICTS; AND FOR
14 OTHER PURPOSES."

Subtitle

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17 "AUTHORIZING SCHOOL DISTRICTS TO ISSUE
18 POSTDATED WARRANTS AND BORROW MONEY FROM
19 THE REVOLVING LOAN FUND TO PAY OFF LOANS
20 SECURED FOR SETTLEMENTS RESULTING FROM
21 LITIGATION AGAINST THE DISTRICT."
22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code Annotated § 6-20-402(a) is amended to read as
26 follows:

27 "(a) The amount of obligations incurred by a school district for any
28 school fiscal year shall not be in excess of the revenue receipts of the
29 district for that year except as provided herein and in §§ 6-20-801 et seq.
30 and 6-20-1201 et seq. School districts may issue postdated warrants or enter
31 into installment contracts or lease purchase agreements for the following
32 purposes:

- 33 (1) Purchase of school buses;
34 (2) Payment of premiums of insurance policies on school
35 buildings, facilities, and equipment in instances where the insurance coverage
36 extends three (3) years or longer;

- 1 (3) Purchase of equipment;
- 2 (4) Repair and renovation of school facilities;
- 3 (5) Purchase of school sites; ~~and~~
- 4 (6) Payment on loans secured for settlement resulting from
- 5 litigation against a school district; and

6 ~~—————(6)(7)~~ Payment of the district's pro rata part of employing
 7 professional appraisers as authorized by laws providing for the appraisal, or
 8 reappraisal, and assessment of property for ad valorem tax purposes."

9
 10 SECTION 2. Arkansas Code Annotated § 6-20-802 is amended to read as
 11 follows:

12 "6-20-802. Purposes of loan.

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

- 16 (1) Funding of its legally issued and outstanding postdated
- 17 warrants;
- 18 (2) Purchase of new or used school buses or refurbishing school
- 19 buses;
- 20 (3) Payment of premiums on insurance policies covering its school
- 21 buildings, facilities, and equipment in instances where the insurance coverage
- 22 extends three (3) years or longer; and replacement of or payment of the
- 23 district's pro rata part of the expense of employing professional appraisers
- 24 as authorized by §§ 26-26-601 - 26-26-607 or other laws providing for the
- 25 appraisal, or reappraisal, and assessment of property for ad valorem tax
- 26 purposes;
- 27 (4) Making major repairs and constructing additions to existing
- 28 school buildings and facilities;
- 29 (5) Purchase of surplus buildings and equipment;
- 30 (6) Purchase of sites for, and the cost of construction thereon
- 31 of, school buildings and facilities, and the purchase of equipment for such
- 32 buildings;
- 33 (7) Purchase of its legally issued and outstanding commercial
- 34 bonds at a discount, provided that a substantial savings in gross interest
- 35 charges can be thus effected;
- 36 (8) Refunding of all or any part of its legally issued and

1 outstanding debt, both funded and unfunded;

2 (9) Purchase of equipment; ~~and~~

3 (10) Payment on loans secured for settlement resulting from
4 litigation against a school district; and

5 ~~—————(10)~~(11)(A) Loans to school districts for maintenance and
6 operation of the school districts in an amount equal to delinquent property
7 taxes resulting from bankruptcies or receivership of taxpayers and for loans
8 to school districts in an amount equal to insured facility loss or damage when
9 the insurance claim is being litigated or arbitrated.

10 (B) For purposes of this subdivision, the loans become
11 payable and due when the final settlement is made, and the loan limits
12 prescribed by § 6-20-803 shall not apply."

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14 SECTION 3. All provisions of this act of a general and permanent nature
15 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
16 Revision Commission shall incorporate the same in the Code.

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18 SECTION 4. If any provision of this act or the application thereof to
19 any person or circumstance is held invalid, such invalidity shall not affect
20 other provisions or applications of the act which can be given effect without
21 the invalid provision or application, and to this end the provisions of this
22 act are declared to be severable.

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24 SECTION 5. All laws and parts of laws in conflict with this act are
25 hereby repealed.

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28 APPROVED: 4-09-97

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