

1 State of Arkansas  
2 84th General Assembly  
3 Second Extraordinary Session, 2003  
4

Call Item 4

# A Bill

HOUSE BILL 1157

5 By: Representative Hathorn  
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## For An Act To Be Entitled

9 AN ACT TO ALLOW ALL CONSOLIDATED, ANNEXED, OR  
10 OTHERWISE REORGANIZED SCHOOL DISTRICTS TO ENJOY  
11 THE BENEFIT OF FUND BALANCES ACCRUED BY THE  
12 AFFECTED SCHOOL DISTRICT PRIOR TO CONSOLIDATION,  
13 ANNEXATION, OR REORGANIZATION; AND FOR OTHER  
14 PURPOSES.

## Subtitle

15  
16 AN ACT TO ALLOW ALL CONSOLIDATED,  
17 ANNEXED, OR OTHERWISE REORGANIZED SCHOOL  
18 DISTRICTS TO ENJOY THE BENEFIT OF FUND  
19 BALANCES ACCRUED BY THE AFFECTED SCHOOL  
20 DISTRICT PRIOR TO CONSOLIDATION,  
21 ANNEXATION, OR REORGANIZATION.  
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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27 SECTION 1. (a) Unless otherwise approved by a unanimous vote of the  
28 board of directors of the resulting district, the fund balances of any school  
29 district that is consolidated, annexed, or is otherwise reorganized shall be  
30 used by the resulting district solely for the construction of facilities or  
31 the operation, maintenance, or support of the schools that were located in  
32 the affected school district from which the fund balance was derived if any  
33 of the facilities of the affected district from which the fund balance was  
34 derived remain open.

35 (b) The provisions of this section shall not apply if the  
36 consolidation or annexation is because of the school district's failure to



1 meet standards for accreditation or failure to meet academic or fiscal  
2 distress requirements pursuant to The Quality Education Act of 2003, § 6-15-  
3 201 et seq., the Arkansas Comprehensive Testing, Assessment, and  
4 Accountability Program Act, § 6-15-401 et seq., or the Arkansas Fiscal  
5 Assessment and Accountability Program, § 6-20-1901 et seq.

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8 **APPROVED: 2/3/2004**  
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