

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.
Act 571 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009

A Bill

SENATE BILL 843

4
5 By: Senator G. Baker
6 By: Representatives Wills, Hawkins, Tyler

For An Act To Be Entitled

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9
10 AN ACT TO ALLOW PRIVATE BORROWING BY STATE-
11 SUPPORTED INSTITUTIONS OF HIGHER EDUCATION IN
12 CERTAIN CIRCUMSTANCES; AND FOR OTHER PURPOSES.

Subtitle

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15 TO ALLOW PRIVATE BORROWING BY STATE-
16 SUPPORTED INSTITUTIONS OF HIGHER
17 EDUCATION IN CERTAIN CIRCUMSTANCES.

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

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22 SECTION 1. Arkansas Code § 6-62-105 is amended to read as follows:

23
24 6-62-105. Private borrowing by institutions of higher education.

25 (a)(1) Upon approval of the board of trustees of ~~the applicable a~~
26 state-supported institution of higher education, the Department of Higher
27 Education, and the Chief Fiscal Officer of the State, ~~the various state a~~
28 state-supported institutions institution of higher education ~~in this state~~
29 may borrow ~~from private financial institutions~~ funds determined by the board
30 of trustees to be necessary to continue the operation of ~~the applicable the~~
31 state state-supported institutions institution of higher education from a
32 private financial institution ~~during the periods of time when if~~ the
33 Revolving Loan Fund is insufficient, as certified by the Chief Fiscal Officer
34 of the State, for a state state-supported institutions institution of higher
35 education to participate in the fund.



1 ~~(2) No~~ A state state-supported institutions institution of
 2 higher education ~~may~~ shall not have outstanding loans in the aggregate under
 3 this section in excess of eighty-five percent (85%) of the total of the
 4 actual May and June general revenues distributed during the immediately
 5 preceding fiscal year to the ~~state~~ state-supported institution of higher
 6 education.

7 (b)(1) The principal amount of the loans described in subsection (a)
 8 of this section shall be repaid from general revenues distributed to the
 9 ~~state~~ state-supported institution of higher education during the months of
 10 May and June of the fiscal year in which the loans were obtained.

11 (2) All interest and other charges shall be paid from cash funds
 12 of the ~~state~~ state-supported institution of higher education. ~~The Chief~~
 13 ~~Fiscal Officer of the State shall promulgate rules and regulations necessary~~
 14 ~~for the implementation of this section.~~

15 (c)(1) Notwithstanding subsections (a) and (b) of this section or §19-
 16 4-705, the Chief Fiscal Officer of the State and the Director of the
 17 Department of Higher Education may authorize a state-supported institution of
 18 higher education to borrow funds from a private financial institution
 19 provided that the board of trustees of the state-supported institution of
 20 higher education certifies that borrowing funds from a private financial
 21 institution:

22 (A) Is required to continue essential operations of the
 23 state-supported institution of higher education into the following fiscal
 24 year; and

25 (B) Will be repaid not later than one hundred twenty (120)
 26 days after the start of the following fiscal year.

27 (2) The aggregate amount of funds borrowed from private
 28 financial institutions may not exceed the limits set in subsection (a) of
 29 this section.

30 (3) Upon repayment, the chief financial officer of the state-
 31 supported institution of higher education shall certify in writing to the
 32 Chief Fiscal Officer of the State and the Director of the Department of
 33 Higher Education the:

34 (A) Date of the repayment; and

35 (B) Amount of the repayment.

36 (4) Subsection (c) of this section shall expire on June 30,

1 2011.

2 (d) The Chief Fiscal Officer of the State shall promulgate rules and
3 regulations necessary for the implementation of this section.

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5 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
6 General Assembly of the State of Arkansas that state-supported institutions
7 of higher education are faced with financial hardship due to the struggling
8 economic climate; that state-supported institutions of higher education play
9 a key role in the future prosperity of the state; that insufficiently funded
10 institutions of higher education risk irreparable harm to the economy of this
11 state; and that this act is immediately necessary to ensure the financial
12 health of state-supported institutions of higher education in this struggling
13 economy. Therefore, an emergency is declared to exist, and this act being
14 immediately necessary for the preservation of the public peace, health, and
15 safety shall become effective on:

16 (1) The date of its approval by the Governor;

17 (2) If the bill is neither approved nor vetoed by the Governor,
18 the expiration of the period of time during which the Governor may veto the
19 bill; or

20 (3) If the bill is vetoed by the Governor and the veto is
21 overridden, the date the last house overrides the veto.

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23 **APPROVED: 3/24/2009**