

Act 820 of the 1989 Regular Session.

Act 820

HB1863

By: Representatives King, Barclay, Stewart and Fairchild

"AN ACT TO AMEND ARKANSAS CODE 6-20-307 TO CLARIFY
ADJUSTMENTS TO GROSS CURRENT REVENUE IN DETERMINING NET
CURRENT REVENUE."

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

SECTION 1. Arkansas Code 6-20-307 (c)(2) is hereby amended to read as follows:

"(2) Net current revenue shall be the gross current revenue as defined in subsection (c)(1) of this section less the amount received for state transportation aid, the amount set aside for textbook program aid, the amount paid from Debt Service revenue that is required to meet principal and interest payments on commercial bonds, and any amounts due the state revolving loan program."

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

SECTION 3. EMERGENCY. It is hereby found and determined by the General Assembly that several school districts have experienced or will experience extreme fluctuations in their net current revenue as a result of debt service payments on new bond issues coming due prior to the receipt of debt service revenues for those same issues, and that this act is necessary to eliminate budgetary problems that accompany these net current revenue fluctuations. Where official financial audits have determined that in any year debt service payments were made from non-revenue receipts that resulted in an understated net current revenue amount that resulted in a subsequent year additional salary fund obligation as defined in Arkansas Code 6-20-218, the additional salary fund obligation shall be computed based on an increase in net current revenues that omits debt service payments paid from non-revenue receipts. Therefore, an emergency is hereby declared to exist and this act being necessary for the preservation of the public peace, health and safety shall be made retroactive to the 1985-86 school year and thereafter.

APPROVED: March 21, 1989
