

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**

# A Bill

**ACT 185 OF 1993**  
**HOUSE BILL 1186**

4 **By: Representative John Miller**

5  
6

## For An Act To Be Entitled

8 "AN ACT TO AMEND VARIOUS SECTIONS OF TITLE 15, CHAPTER 5,  
9 SUBCHAPTER 4 OF THE ARKANSAS CODE OF 1987 ANNOTATED, AS  
10 AMENDED, TO ESTABLISH A SUPPLEMENTAL GUARANTY RESERVE  
11 ACCOUNT; AND FOR OTHER PURPOSES."

12  
13

## Subtitle

14 **"AN ACT TO ESTABLISH A SUPPLEMENTAL GUARANTY**  
15 **RESERVE ACCOUNT."**

16  
17

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

18  
19

**SECTION 1. Arkansas Code 15-5-403 is amended to read as follows:**

20  
21

**"15-5-403. Definitions. As used in this subchapter, unless the context otherwise requires:**

22  
23

**(1) \_Act\_ means the Arkansas Development Finance Authority Bond Guaranty Act of 1985;**

24  
25

**(2) \_ADFA Act\_ means the Arkansas Development Finance Authority Act, as amended;**

26  
27

**(3) \_Amortization payments\_ means the periodic (monthly, semiannual, annual, etc.) payments of interest on, premium, if any, and installments of principal of qualified bonds as required by the trust indenture relating to the bonds;**

28  
29

**(4) \_Authority\_ means the Arkansas Development Finance Authority;**

30  
31

**(5) \_Board\_ means the board of directors of the authority;**

32  
33

**(6) \_Bond Fund\_ means the Guaranty Bond Fund hereinafter authorized from which bonds issued by the authority for the purpose of meeting the obligations of the Bond Guaranty Reserve Account are payable;**

34  
35

**(7) \_Developer\_ means the individual, firm, or corporation, whether for profit or nonprofit, charged with developing the project under the terms of the trust indenture relating to qualified bonds;**

36

1           **(8) \_Guaranty Reserve Account\_ means the Bond Guaranty Reserve Account created**  
2 **in this subchapter for the purpose of meeting amortization payments of qualified bonds**  
3 **guaranteed by the authority and for the purpose of enhancing and supporting the credit of**  
4 **those qualified bonds;**

5           **(9) \_Project\_ means the project for which the proceeds of qualified bonds are utilized;**

6           **(10) \_Qualified bonds\_ means revenue bonds validly issued by the authority in**  
7 **accordance with the provisions of the ADFA Act or by any city, county, or other political**  
8 **subdivision of this state;**

9           **(11) \_State\_ means the State of Arkansas;**

10           **(12) \_Supplemental Guaranty Reserve Account\_ means an account which may be**  
11 **established by the Authority for the purpose of enhancing the Guaranty Reserve Account."**

12

13           **SECTION 2. Arkansas Code 15-5-414 is amended to read as follows:**

14           **"15-5-414. Authority to use money committed to other projects.**

15           **(a) If the authority shall at any time determine that the moneys in the Guaranty**  
16 **Reserve Account created and being maintained pursuant to the provisions of this subchapter**  
17 **are not, or will not be, sufficient to meet the obligations of the Guaranty Reserve Account, the**  
18 **authority is authorized to use the necessary amount of any available moneys that it may have**  
19 **which are not needed then or in the foreseeable future for, or committed to, other authorized**  
20 **functions and purposes of the authority, and any such moneys so used may be reimbursed out**  
21 **of the Guaranty Reserve Account if and when there are moneys therein available for the**  
22 **purposes.**

23           **(b) In addition to the procedure described in subsection (a) of this section, the**  
24 **Authority at its discretion by a majority vote of the board of the Authority may establish a**  
25 **Supplemental Bond Guaranty Reserve Account by depositing into a separate account moneys**  
26 **from unpledged reserves of the Authority which may include grants from any state or federal**  
27 **agencies, municipalities, corporation, foundations, individual donors or authorities. However,**  
28 **upon determination that the Bond Guaranty Reserve Account is sufficient to honor all**  
29 **foreseeable obligations of the guaranty program, the Authority may use the funds in the**  
30 **Supplemental Guaranty Reserve Account for other purposes approved by a majority vote of the**  
31 **board of the Authority."**

32

33           **SECTION 3. All provisions of this act of a general and permanent nature are**  
34 **amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision**  
35 **Commission shall incorporate the same in the Code.**

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

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

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

**APPROVED:**