

**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 1866 of the Regular Session**

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

A Bill

HOUSE BILL 2496

5 By: Representative D. Evans
6
7

For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE § 6-20-402 TO ALLOW
10 FOR THE PAYMENT OF COSTS OF ISSUANCE IN
11 CONNECTION WITH THE ISSUANCE OF POSTDATED
12 WARRANTS, INSTALLMENT CONTRACTS, AND LEASE
13 PURCHASE AGREEMENTS; AND FOR OTHER PURPOSES.
14

Subtitle

15 AN ACT TO AMEND ARKANSAS CODE § 6-20-402
16 TO ALLOW FOR THE PAYMENT OF COSTS OF
17 ISSUANCE IN CONNECTION WITH THE ISSUANCE
18 OF POSTDATED WARRANTS, INSTALLMENT
19 CONTRACTS, AND LEASE PURCHASE
20 AGREEMENTS.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 6-20-402(a), concerning obligations
27 incurred by school districts, is amended to read as follows:

28 (a)(1)(A) The amount of obligations incurred by a school district for
29 any school fiscal year shall not be in excess of the revenue receipts of the
30 district for that year except as provided in this section and in §§ 6-20-801
31 et seq. and 6-20-1201 et seq.

32 (B) School districts may enter into public-private
33 partnerships whereby the school district enters into lease-purchase
34 agreements for school buildings built by the private entities with facilities
35 bonds exempt from federal taxes under 26 U.S.C. § 142(a)(13), as in existence



1 on January 1, 2003.

2 (2) School districts may issue postdated warrants or enter into
3 installment contracts or short-term lease-purchase agreements for the
4 following purposes:

5 (A) Purchase of school buses;

6 (B) Payment of premiums of insurance policies on school
7 buildings, facilities, and equipment in instances in which the insurance
8 coverage extends three (3) years or longer;

9 (C) Purchase of equipment;

10 (D) Installation or purchase, or both, of energy
11 conservation measures in school facilities;

12 (E) Repair and renovation of school facilities;

13 (F) Purchase of school sites;

14 (G) Payment on loans secured for settlement resulting from
15 litigation against a school district;

16 (H) Payment of the district's pro rata part of employing
17 professional appraisers as authorized by laws providing for the appraisal or
18 reappraisal and assessment of property for ad valorem tax purposes; and

19 (I) The professional development and training of teachers
20 or other programs authorized under the federally recognized Qualified Zone
21 Academy Bond Program codified at 26 U.S.C. § 1397E.

22 (3) School districts may issue postdated warrants or enter into
23 installment contracts or lease purchase agreements in an amount sufficient to
24 accomplish the purposes listed in subdivision (a)(2) of this section and to
25 pay the costs of issuing the postdated warrants or entering into the
26 installment contracts or lease purchase agreements.

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28 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
29 General Assembly of the State of Arkansas that in order to meet the urgent
30 needs of the school districts, the districts need the ability to finance
31 those needs as quickly as possible and at the best possible interest rates;
32 that the school districts also need a way to pay the costs of issuing
33 postdated warrants or entering into installment contracts or lease purchase
34 agreements that are being used to finance needs of the districts; and that
35 this act is immediately necessary to correct the deficiencies in the current
36 law. Therefore, an emergency is declared to exist and this act being

1 immediately necessary for the preservation of the public peace, health, and
2 safety shall become effective on:

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

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

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

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11 **APPROVED: 04/08/2005**
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