

**ARKANSAS SENATE**  
83rd General Assembly - Regular Session, 2001  
**Amendment Form**

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**Subtitle of Senate Bill No. 603**

"AN ACT TO AMEND VARIOUS SECTIONS OF TITLE 6 OF THE ARKANSAS CODE  
RELATIVE TO FUNDING OF PUBLIC EDUCATION."

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**Amendment No. 1 to Senate Bill No. 603.**

Amend Senate Bill No. 603 as originally introduced:

Page 9, delete lines 9 through 13

AND

Page 9, line 14, delete "(30)" and substitute "(29)"

AND

Page 9, line 28, delete "(31)" and substitute "(30)"

AND

On page 16, delete lines 10 through 12 and substitute the following:  
"otherwise qualify excluding the issuance of the second-lien bonds, except as authorized under section 18 of this act."

AND

On page 16, immediately following Section 17, insert the following:  
"SECTION 18. Arkansas Code Title 6, Chapter 20, Subchapter 12 is amended by adding the following new section:

Issuance of second-lien commercial bonds.

(a) All second-lien bonds issued by school districts shall have semi-annual interest payments with the first interest payment due within six (6) months of the issuance of the second-lien bond. All second-lien bonds shall be repaid on payment schedules that are either:

(1) Equalized payments in which the annual payments are substantially equal in amount; or

(2) Decelerated payments in which the annual payments decrease over the life of the schedule.

(b) A school district, whether or not it is receiving additional base funding, may issue a second-lien bond if the issuance of the second-lien bond

will not cause the state to expend more additional base funding that it would have expended before the issuance of the second-lien bond.

(c) No school district that is receiving additional base funding or is likely to receive additional base funding shall be authorized to issue second-lien bonds except as allowed under subsections (c)(1) and (c)(2) of this section. For purposes of this section, "likely to receive additional base funding" means a school district whose total state and local revenue per average daily membership will be within ten dollars (\$10.00) of the minimum state and local revenue per average daily membership if the second-lien bond is issued by the school district.

(1) A school district that receives additional base funding or is likely to receive additional base funding may issue second-lien bonds to fund repairs or reconstruction of school facilities damaged or destroyed by natural disasters or criminal activities.

(2) The allowance to issue second-lien bonds contained in subsection (c)(1) shall not occur if the issuance of the second-lien bond would cause the state to be out of compliance with any test concerning the equity of school finance in Arkansas adopted by a court of competent jurisdiction.

(d) School districts which issued second-lien bonds prior to April 10, 2001 shall be allowed to receive additional base funding they are entitled to receive after the issuance of second-lien bonds. Subsection (a), (b), and (c) of this section shall not apply to any second-lien bond issued on or before April 10, 2001."

AND

Appropriately renumber the remaining sections.

**The Amendment was read the first time, rules suspended and read the second time and \_\_\_\_\_**

**By: Senator Mahony**

**KAS/TRB**

**TRB402**

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**Secretary**