

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

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."

Amendment No. 2 to Senate Bill No. 603.

Amend Senate Bill No. 603 as engrossed, H3/13/01:

Page 16, line 8, delete Section 18 and substitute 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) For the purposes of this section:

(1) "Issue," "issuance," or some variety thereof shall mean the date upon which a second-lien bond is actually sold; and

(2) "Second lien bond" shall means a commercial bond issued under the authority set forth in Arkansas Code 26-80-106.

(b) All second-lien bonds issued by school districts shall have semi-annual interest payments with the first interest payment due within eight (8) 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.

(c) 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 school district to receive more additional base funding than it would have received before the issuance of the second-lien bond.

(d) 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 (d)(1) and (d)(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 (d)(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.

(3) School districts which issued second-lien bonds prior to April 30, 2001 shall be allowed to receive additional base funding they are entitled to receive after the issuance of second-lien bonds. Subsections (a), (b), and (c) of this section shall not apply to any second-lien bond issued on or before April 30, 2001."

AND

Page 17, line 4, delete "April 10" and substitute "April 30"

AND

Page 17, line 8, delete "April 10" and substitute "April 30"

The Amendment was read the first time, rules suspended and read the second time and _____

**By: Senator Mahony
KAS/KAS - 031620010854
KAS209**

Secretary