

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997

# A Bill

HOUSE BILL 2069

4  
5 By: Representative Thicksten

## For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE 6-20-308 TO PROVIDE THAT A  
10 SCHOOL DISTRICT SHALL NOT LOSE ADDITIONAL STATE FUNDING AS  
11 A RESULT OF REFUNDING OUTSTANDING BONDS AT LOWER RATES OF  
12 INTEREST; TO DECLARE AN EMERGENCY; AND FOR OTHER  
13 PURPOSES."

## Subtitle

16 "PROVIDING THAT A SCHOOL DISTRICT SHALL  
17 NOT LOSE ADDITIONAL STATE FUNDING AS A  
18 RESULT OF REFUNDING OUTSTANDING BONDS AT  
19 LOWER RATES OF INTEREST."

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

23 SECTION 1. Arkansas Code 6-20-308 is amended to read as follows:

24 "6-20-308. Department of Education to provide funding.

25 (a) After determining the amount of state equalization funding, student  
26 classroom teaching funding, student unit funding, vocational funding, general  
27 facilities funding, and student growth funding available to each local school  
28 district, the Department of Education shall provide any additional state  
29 funding necessary to ensure that the total state and local revenue per average  
30 daily membership of each local school district is no less than the minimum  
31 state and local revenue per average daily membership.

32 (b) A school district shall not lose any additional state funding as a  
33 result of debt service savings produced by refunding outstanding bonds  
34 provided that (i) the yearly savings produced by the refunding is deposited  
35 into a Refunding Savings Building Fund and used by the district for the  
36 building and equipment of school buildings, making additions and repairs

1 thereto, purchasing sites therefor, purchasing school buses or refurbishing  
 2 school buses, and (ii) at the time the district submits its application to  
 3 issue the refunding bonds to the Director of General Education, it attaches to  
 4 the application a certificate certifying that the yearly debt service savings  
 5 will be used for the purposes described in this act."

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

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11 SECTION 3. If any provision of this act or the application thereof to  
 12 any person or circumstance is held invalid, such invalidity shall not affect  
 13 other provisions or applications of the act which can be given effect without  
 14 the invalid provision or application, and to this end the provisions of this  
 15 act are declared to be severable.

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17 SECTION 4. All laws and parts of laws in conflict with this act are  
 18 hereby repealed.

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20 SECTION 5. EMERGENCY. It is hereby found and determined by the General  
 21 Assembly that under current market conditions certain school districts can  
 22 refund outstanding bonds at lower rates of interest producing substantial debt  
 23 service savings in the district; that under current law, some districts may  
 24 lose additional state funding if debt service savings are produced; that this  
 25 act is necessary to give incentive to districts to refund their outstanding  
 26 bonds at lower rates of interest and that this act should be given effect  
 27 immediately in order to take advantage of favorable market conditions.  
 28 Therefore, an emergency is declared to exist and this act being immediately  
 29 necessary for the preservation of the public peace, health and safety shall  
 30 become effective on the date of its approval by the Governor. If the bill is  
 31 neither approved nor vetoed by the Governor, it shall become effective on the  
 32 expiration of the period of time during which the Governor may veto the bill.  
 33 If the bill is vetoed by the Governor and the veto is overridden, it shall  
 34 become effective on the date the last house overrides the veto.

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