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.

1	State of Arkansas	A Bill		
2	84th General Assembly			
3	Regular Session, 2003		HOUSE BILL 1290	
4				
5	By: Representative Childers			
6				
7		For An Act To Be Entitled		
8		AN ACT TO AMEND THE DEFINITION OF MAXIMUM LAWFUL		
9 10		RATE FOR SCHOOL BONDS; AND FOR OTHER PURPOSES.		
10	KAIL FOR	SCHOOL BONDS; AND FOR OTHER FORP	-0565.	
12	Subtitle			
13	AN ACT TO AMEND THE DEFINITION OF			
14	MAXIMUM LAWFUL RATE FOR SCHOOL BONDS.			
15				
16				
17	BE IT ENACTED BY THE G	ENERAL ASSEMBLY OF THE STATE OF A	RKANSAS:	
18				
19	SECTION 1. Arkan	nsas Code § 6-20-806(c), concerni	ng revolving loan	
20	bonds and certificates of indebtedness for school bonds, is amended to read			
21	as follows:			
22	(c) As used in this section, "maximum lawful rate" means a rate of			
23	interest equal to five percent (5%) per annum above the Federal Reserve Board			
24	discount rate on ninety-day commercial paper rate for primary credit, or its			
25	functional equivalent in effect at the Federal Reserve bank in the Federal			
26	Reserve district in which Arkansas is located at the time an application for			
27	a loan is approved.			
28				
29	SECTION 2. Arka	nsas Code § 6-20-1001 is amended	to read as follows:	
30	6-20-1001. Defin	6-20-1001. Definition.		
31	As used in this	subchapter, unless the context of	herwise requires,	
32	"maximum lawful rate" means a rate of interest equal to five percent (5%) per			
33	annum above the Federal Reserve Board discount rate on ninety-day commercial			
34	paper rate for primary credit, or its functional equivalent in effect at the			
35	Federal Reserve bank in the Federal Reserve district in which Arkansas is			
36	located at the time a bid for bonds is accepted.			



HB1290

2 SECTION 3. Arkansas Code § 6-20-1206(b), concerning school bonds, is 3 amended to read as follows:

(b) As used in this section, "maximum lawful rate" means a rate of
interest equal to five percent (5%) per annum above the Federal Reserve Board
discount rate on ninety-day commercial paper rate for primary credit, or its
functional equivalent in effect at the Federal Reserve bank in the Federal
Reserve district in which Arkansas is located at the time a bid for bonds is
accepted.

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11 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the 12 General Assembly of the State of Arkansas that revolving loan bonds, 13 revolving loan certificates of indebtedness, and negotiable bonds are utilized for the financing of school districts in the state; that legislation 14 15 is needed to amend the definition of maximum lawful rate in order to clarify 16 that revolving loan bonds, revolving loan certificates of indebtedness, and 17 negotiable bonds are utilized for the financing of school districts in the state; that legislation is needed to amend the definition of maximum lawful 18 rate in order to clarify the maximum lawful rate of interest allowed on such 19 20 indebtedness prior to the next annual school elections or special election 21 called by the school district to comply with recent court orders, and that 22 this act is immediately necessary because school districts need to 23 restructure their debt in order to comply with recent court orders. 24 Therefore, an emergency is declared to exist and this act being immediately 25 necessary for the preservation of the public peace, health, and safety shall 26 become effective on: 27 (1) The date of its approval by the Governor; 28 (2) If the bill is neither approved nor vetoed by the Governor, 29 the expiration of the period of time during which the Governor may veto the 30 bill; or 31 (3) If the bill is vetoed by the Governor and the veto is 32 overridden, the date the last house overrides the veto. 33 34 35 36