

State of Arkansas  
76th General Assembly  
Regular Session, 1987  
By: Senator Malone

SENATE BILL 650

"AN ACT TO AMEND SECTION 12 OF ACT 871 OF 1985 TO CLARIFY THE REQUIREMENTS FOR ISSUANCE OF REFUNDING BONDS THEREUNDER; AND FOR OTHER PURPOSES."

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

SECTION 1. Section 12 of Act 871 of 1985, the same being Arkansas Statutes 13-1250, is hereby amended to read as follows:

"Section 12. Bonds may be issued under this Act for the purpose of refunding any outstanding bonds issued pursuant to Amendment No. 62 or prior amendments to the Constitution repealed by Amendment No. 62. Such refunding bonds may be either sold for cash or delivered in exchange for the outstanding obligations. If sold for cash, the proceeds may be either applied to the payment of the obligations refunded or deposited in irrevocable trust for the retirement thereof either at maturity or on an authorized redemption date. Refunding bonds shall in all respects be authorized, issued and secured in the manner provided for the bonds being refunded, and shall have all the attributes of the refunded bonds; provided, however, that if the refunding bonds are not in a greater principal amount than the original amount of the refunded bonds the question of issuing such refunding bonds need not be submitted at an election. The ordinance under which such refunding bonds are issued may provide that any refunding bonds shall have the same priority of lien on all sources of taxation of other income as originally pledged for payment of the obligation refunded thereby. Alternatively, the ordinance may provide that refunding bonds to be issued to refund indebtedness originally created under Amendments Nos. 13, 17, 25 or 49 may be issued and secured in the manner provided in Amendment No. 62 and this Act if the question of the issuance of the refunding bonds is submitted to the electors in the manner provided in Section 4 of this Act. Bonds may also be issued under the provisions of this Act for

the purpose of refunding any outstanding revenue bonds (including bonds secured in whole or in part by revenues derived from any special tax pledged thereto) issued, whether or not issued prior or subsequent to the effective date of this Act, to finance capital improvements of a public nature if the question of the issuance of the refunding bonds is submitted to the electors in the manner provided in Section 4 of this Act. Such refunding bonds may be either sold for cash or delivered in exchange for the outstanding obligations. If sold for cash the proceeds may either be applied to the payment of the bonds being refunded or deposited in an irrevocable trust for the retirement thereof at maturity or on an authorized redemption date."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 3. EMERGENCY. It is hereby found and declared that the provisions of Section 12 of Act 871 are ambiguous and that such ambiguity may prohibit municipalities and counties from obtaining substantial financial benefits by refunding outstanding obligations issued under the Act. Amendment of the Act is necessary to clarify the provisions pursuant to which such obligations may be refunded. Therefore, an emergency is hereby declared to exist and this Act, being immediately necessary for the protection of the public peace, health and safety shall take effect, and be in full force, immediately on its passage and approval.

