

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

A Bill

HOUSE BILL 1353

5 By: Representative Catlett
6 By: Senator U. Lindsey
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE DEFINITION OF SCHOOL DISTRICT
10 MISCELLANEOUS FUNDS AND THE METHOD OF CALCULATING
11 MISCELLANEOUS FUNDS; AND FOR OTHER PURPOSES.
12
13

Subtitle

15 TO AMEND THE DEFINITION OF SCHOOL
16 DISTRICT MISCELLANEOUS FUNDS AND THE
17 METHOD OF CALCULATING MISCELLANEOUS
18 FUNDS.
19
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 6-20-2303(11), concerning the definition of
24 miscellaneous funds, is amended to read as follows:

25 (11)~~(A)~~ "Miscellaneous funds" means ~~the average of those funds~~
26 ~~collected in the five (5) school years immediately preceding the previous~~
27 ~~school year~~ funds received by a school district:

28 ~~(i)(A) Consisting of:~~

29 ~~(a) Funds received by a school district from~~ From
30 federal forest reserves, federal grazing rights, federal mineral rights,
31 federal impact aid, federal flood control, wildlife refuge funds, and
32 severance taxes; and

33 ~~(b)(B) Funds received by the school district in~~ In
34 lieu of taxes, and local sales and use taxes dedicated to education under §
35 26-74-201 et seq., § 26-74-301 et seq., § 26-75-301 et seq., and the Local
36 Government Bond Act of 1985, § 14-164-301 et seq., ~~and~~



1 (ii) ~~the~~ An amount of miscellaneous funds of the
 2 school district calculated under § 6-20-2308.

3
 4 SECTION 4. Arkansas Code Title 6, Chapter 20, Subchapter 23, is
 5 amended to add an additional section to read as follows:

6 6-20-2308. Calculation of miscellaneous funds.

7 (a) For the purpose of making an initial calculation of state
 8 foundation funding aid, the Department of Education shall calculate the
 9 miscellaneous funds of a school district as:

10 (1) The aggregate amount of miscellaneous funds a school
 11 district received in the calendar year immediately preceding the beginning of
 12 the current school fiscal year; multiplied by

13 (2) The ratio of the uniform rate of tax to the school
 14 district's total millage rate in effect as of January 1 of the calendar year
 15 in which the school district received the miscellaneous funds.

16 (b)(1) Except as provided under subdivision (b)(2) of this section,
 17 for a school district that receives state foundation funding aid and
 18 receives an aggregate amount of miscellaneous funds during the calendar year
 19 in which the current school fiscal year began that is less than the aggregate
 20 amount of miscellaneous funds the school district received in the calendar
 21 year immediately preceding the beginning of the current school fiscal year,
 22 by the end of the school fiscal year the department shall distribute to the
 23 school district an amount equal to the difference between:

24 (A) The amount of miscellaneous funds calculated for the
 25 calendar year in which the current school fiscal year began; and

26 (B) The amount of miscellaneous funds calculated for the
 27 calendar year immediately preceding the beginning of the current school
 28 fiscal year.

29 (2) The sum of the following amounts shall not exceed the
 30 foundation funding amount under § 6-20-2305(a)(2):

31 (A) State foundation funding aid for the current school
 32 fiscal year;

33 (B) The school district's miscellaneous funds calculated
 34 for the calendar year in which the school fiscal year began;

35 (C) Ninety-eight percent (98%) of the uniform rate of tax
 36 multiplied by the property assessment of the school district;

1 (D) A distribution under subdivision (b)(1) of this
 2 section; and

3 (E) A distribution or recoupment under § 6-20-2305(a)(4).

4 (c)(1) Beginning with the 2014-2015 school fiscal year, the department
 5 shall recoup an overpayment of state funding under the authority provided by
 6 § 6-20-2306 for a school district that receives:

7 (A) State foundation funding aid; and

8 (B) An aggregate amount of miscellaneous funds for the
 9 calendar year in which the current school fiscal year began that is greater
 10 than the aggregate amount of miscellaneous funds it received in the calendar
 11 year immediately preceding the beginning of the current school fiscal year.

12 (2) The department shall recoup from the school district an
 13 amount equal to the difference between:

14 (A) The amount of miscellaneous funds calculated for the
 15 calendar year in which the current school fiscal year began; and

16 (B) The amount of miscellaneous funds calculated for the
 17 calendar year immediately preceding the beginning of the current school
 18 fiscal year.

19 (3) A recoupment from a school district under this subsection
 20 shall not exceed the amount of state foundation funding aid distributed to
 21 the school district for the school fiscal year on which the recoupment is
 22 based.

23
 24 SECTION 5. Arkansas Code § 6-20-2503(a)(3), concerning bonded debt
 25 assistance of school districts, is amended to read as follows:

26 (3)(A) "Miscellaneous funds" means ~~funds calculated as follows:~~

27 ~~(i) The average of funds collected in the five (5) school~~
 28 ~~years immediately preceding the previous school year that were received by a~~
 29 ~~school district;~~

30 ~~(a) From federal forest reserves, federal grazing~~
 31 ~~rights, federal mineral rights, federal impact aid, federal flood control,~~
 32 ~~wildlife refuge funds, and severance taxes;~~

33 ~~(b) In lieu of taxes; and~~

34 ~~(c) From local sales and use taxes for capital~~
 35 ~~improvements dedicated to education under § 26-74-201 et seq., § 26-74-301 et~~
 36 ~~seq., and § 26-75-301 et seq., and the Local Government Bond Act of 1985, §~~

1 ~~14-164-301 et seq., and~~

2 ~~(ii) Multiplied by the ratio of the uniform rate of tax to~~
3 ~~the school district's total millage rate in effect as of January 1 of the~~
4 ~~fiscal year prior to the current funding year.~~

5 ~~(B) If the school district did not receive funds from a source~~
6 ~~of funds listed in subdivision (a)(3)(A) of this section during the most~~
7 ~~recent school year used to calculate the five year average, then previous~~
8 ~~collections from that source of funds shall not be included in the five year~~
9 ~~average.~~

10 ~~(C) For the purpose of calculating the amount of miscellaneous~~
11 ~~funds of a school district under this subdivision (a)(3), a school year is~~
12 ~~the period beginning on July 1 of a calendar year and ending on June 30 of~~
13 ~~the next calendar year the amount of miscellaneous funds, as defined in § 6-~~
14 ~~20-2303, calculated under § 6-20-2308(a);~~

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16 SECTION 6. DO NOT CODIFY. TEMPORARY LANGUAGE. For the 2014-2015
17 school fiscal year only, as used in this act the phrase "calendar year
18 immediately preceding the beginning of the current school fiscal year" means
19 the 2012 calendar year.

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22 APPROVED: 03/11/2013
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