

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**  
4 **By: Representative Mahony**

# A Bill

**ACT 1276 OF 1993**  
**HOUSE BILL 1336**

## For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE ANNOTATED § 26-80-110 TO  
9 AUTHORIZE A MAXIMUM CAPITAL OUTLAY TAX OF FIVE PERCENT  
10 (5%) OF A SCHOOL DISTRICT'S CURRENT EXPENSES OR *THREE* (3)  
11 MILLS, WHICHEVER IS LESS, AND TO PERMIT SCHOOL DISTRICTS  
12 TO USE CAPITAL OUTLAY FUNDS FOR THE PURCHASE OF COMPUTER  
13 SOFTWARE; AND FOR OTHER PURPOSES."

## Subtitle

15 "TO INCREASE THE MAXIMUM CAPITAL OUTLAY TAX THAT SCHOOL  
16 DISTRICTS MAY LEVY AND TO AUTHORIZE THE PURCHASE OF  
17 COMPUTER SOFTWARE."  
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19  
20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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22 SECTION 1. Arkansas Code § 26-80-110 is hereby amended to read as  
23 follows:

24 "26-80-110. Capital outlay tax.

25 (a) (1) The board of directors of each school district is authorized,  
26 upon approval of a majority of the qualified voters in the school district  
27 voting in the annual school election, to levy and collect a tax not to exceed  
28 five percent (5%) of a school district's current expenses or three (3) mills,  
29 whichever is less, upon real and personal property for capital outlay of the  
30 school district.

31 (2) The approved tax shall be assessed, levied, and collected as  
32 provided by law for other school taxes.

33 (b) Any funds received from the collection of a capital outlay tax are  
34 restricted for the purpose of capital outlay. Capital outlay funds shall be  
35 accounted for in a separate fund. Capital outlay funds shall only be used for  
36 the following purposes:

- 1           (1) Acquisition of sites or construction of facilities to support  
2 the instructional program of the district;
- 3           (2) Purchase of school buses;
- 4           (3) Purchase of furniture or equipment to support the  
5 instructional program;
- 6           (4) Purchase of computer software;
- 7           (5) Renovation or repair of existing facilities; or
- 8           (6) Repaying revolving loans.

9           (c) Capital outlay funds collected under this section are exempt from  
10 the provisions of The School Finance Act of 1984, § 6-20-301 et seq.

11           (d) School districts which have levied a capital outlay tax prior to  
12 the adoption of this section are authorized to continue such levies for the  
13 terms and purposes approved by the majority of voters at the time of their  
14 adoption.

15           (e) Any capital outlay levies proposed subsequent to the adoption of  
16 this section shall be limited as set forth in subsections (b) and (c) of this  
17 section and, when combined with capital outlay levies approved prior to the  
18 adoption of this section and still in effect, shall not exceed five percent  
19 (5%) of current expense or three (3) mills, whichever is less."

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21           SECTION 2. *Arkansas Code 10-4-202(b) as amended by Act 484 of 1993 is*  
22 *amended to read as follows:*

23           "*(b) Nothing contained in this section shall be so construed as to*  
24 *abridge the right of any school district, educational cooperative, or of any*  
25 *municipality to choose and employ accountants, in good standing with the*  
26 *Arkansas State Board of Public Accountancy, to conduct these audits in*  
27 *accordance with Government Auditing Standards issued by the Comptroller*  
28 *General of the United States. In the alternative, with the approval of the*  
29 *Legislative Joint Auditing Committee, an incorporated town may employ such*  
30 *accountants to conduct a compilation in accordance with standards issued by*  
31 *the American Institute of Certified Public Accountants. A certified copy of*  
32 *each audit or compilation report shall be filed with the Division of*  
33 *Legislative Audit.*"

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35           SECTION 3. All provisions of this act of a general and permanent nature

1 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
2 Revision Commission shall incorporate the same in the Code.

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4 SECTION 4. If any provision of this act or the application thereof to  
5 any person or circumstance is held invalid, such invalidity shall not affect  
6 other provisions or applications of the act which can be given effect without  
7 the invalid provision or application, and to this end the provisions of this  
8 act are declared to be severable.

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10 SECTION 5. All laws and parts of laws in conflict with this act are  
11 hereby repealed.

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*/s/Jodie Mahony*

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APPROVED: 4/21/93

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***As Engrossed: 2/5/93 4/7/93***

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