

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
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: S3/17/03

A Bill

SENATE BILL 721

5 By: Senator Miller
6
7

For An Act To Be Entitled

9 AN ACT TO DISTRIBUTE THE INTEREST EARNED ON THE
10 PROPERTY TAX RELIEF TRUST FUND TO THE COUNTIES;
11 AND FOR OTHER PURPOSES.
12

Subtitle

13 TO DISTRIBUTE THE INTEREST EARNED ON THE
14 PROPERTY TAX RELIEF TRUST FUND TO THE
15 COUNTIES.
16
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code 26-26-310 is amended to read as follows:

22 26-26-310. Certification of amount of property tax reduction.

23 (a)(1) On or before March 31, ~~2001, and each March 31 thereafter~~ of
24 each year, the county collector of each county shall certify to the Chief
25 Fiscal Officer of the State the amount of the real property tax reduction
26 provided in § 26-26-1118.

27 (2)(A) After receipt of the certification from the county
28 collectors, the Chief Fiscal Officer of the State shall determine the
29 proportionate share of the total statewide reduction attributable to each
30 county.

31 (B)(i) At the end of each month, the Chief Fiscal Officer
32 of the State shall:

33 (a) determine Determine the balance in the
34 Property Tax Relief Trust Fund including the interest earned on the revenue
35 derived from §§ 26-52-302(c) and 26-53-107(c); and

36 (b) Certify the balance of the Property Tax



1 Relief Trust Fund, including the interest earned on the revenue derived from
2 §§ 26-52-302(c) and 26-53-107(c), and ~~certify it~~ to the Treasurer of State.

3 (ii)(a) The Treasurer of State, who shall make
4 distributions from the fund to each county treasurer in accordance with the
5 county's proportionate share of the total statewide property tax reduction
6 for that calendar year resulting from the provisions of § 26-26-1118.

7 (b) The distributions to the counties shall
8 include the county's proportionate share of the interest earned on the
9 revenue derived from §§ 26-52-302(c) and 26-53-107(c).

10 (C)(i) If the Chief Fiscal Officer of the State has not
11 received all of the certifications from the county collectors, then the
12 distribution of the fund shall be as follows until all certifications have
13 been received:

14 (a) The total amount of the fund to be
15 distributed shall equal the total amount in the fund multiplied by the
16 proportion of the previous year's total property assessment, less tangible
17 personal property and property owned by utilities and regulated carriers, of
18 the counties that have certified, divided by the previous year's total
19 property assessment, less tangible personal property and property owned by
20 utilities and regulated carriers in the state;

21 (b) Each county that has certified its
22 property tax reduction shall receive an amount of the fund, as adjusted in
23 subdivision (a)(2)(C)(i)(a) of this section, equal to:

24 (1) ~~the~~ The county's proportionate share
25 of the total property tax reduction of the counties that have certified their
26 property tax reductions; and

27 (2) The county's proportionate share of
28 the interest earned on the revenue derived from §§ 26-52-302(c) and 26-53-
29 107(c).

30 (ii) However, until all counties have certified
31 their property tax reductions to the Chief Fiscal Officer of the State, no
32 county shall receive more than seventy-five percent (75%) of its certified
33 property tax reduction.

34 (3)(A)(i) Funds so received by the county treasurers shall be
35 credited to the county property tax relief fund.

36 (ii)(a) Ninety-six percent (96%) of the funds

1 distributed to the county treasurer as the county's proportionate share of
2 the total statewide property tax reduction attributable to the county for the
3 calendar year shall be allocated and distributed to the various taxing
4 entities within the county that levy ad valorem taxes.

5 (b) One hundred percent (100%) of the funds
6 distributed to the county treasurer as the county's proportionate share of
7 the interest earned on the revenue derived from §§ 26-52-302(c) and 26-53-
8 107(c) shall be allocated and distributed to the various taxing entities
9 within the county that levy ad valorem taxes.

10 (iii) The allocation shall be based on a
11 certification from the collector of the amount of the real property tax
12 reduction per taxing entity provided in § 26-26-1118.

13 (iv) The four percent (4%) retained in the fund
14 under this subdivision (a)(3)(A)(ii)(a) is the commission of the county
15 collector as authorized under § 21-6-305(a)(4).

16 (v) This commission shall ~~be transferred to the~~
17 ~~general fund of the county in December of each year to~~ become a part of the
18 total commission of the county collector.

19 (vi) These funds are subject to § 21-6-305(d).

20 (B) Funds so received by the various taxing units shall be
21 used for the same purposes and in the same proportions as otherwise provided
22 by law.

23 (b)(1) ~~Reimbursements~~ Distributions to each county shall continue on a
24 monthly basis from the fund until the full amount certified by the county
25 collectors, as of November 15 of each year, has been paid.

26 (2)(A) In no event shall the amount distributed to a county
27 during a calendar year from the fund exceed the final amount certified by the
28 county collector as of November 15 as the property tax reduction for that
29 calendar year resulting from § 26-26-1118 and the county's proportionate
30 share of the interest earned on the revenue derived from §§ 26-52-302(c) and
31 26-53-107(c).

32 (B) If a county is paid in excess of its proportionate
33 share of the total statewide property tax reduction attributable to the
34 county and interest earned on the revenue, the Chief Fiscal Officer of the
35 State shall have the authority to reduce payments made to the county for the
36 subsequent calendar year until the overpayment is recovered.

1 (C) Commencing December 31, 2002, and each December 31
 2 thereafter, the Chief Fiscal Officer of the State, in cooperation with the
 3 Legislative Council and the Legislative Auditor, shall determine that portion
 4 of the balance remaining that is in excess of the required reimbursement to
 5 the counties and shall certify the excess to the Treasurer of State. Such
 6 excess funds may be used in accordance with subsequent legislation to provide
 7 additional tax relief or financial assistance to school districts that incur
 8 a reduction in revenue as a direct result of Arkansas Constitution, Amendment
 9 79.

10 (3)(A) The Legislative Auditor or his or her designee shall
 11 audit the books and records of the county assessor, county collector, or any
 12 other party as needed to ensure that the amount of the property tax reduction
 13 certified by the county collector is accurate.

14 (B) The Chief Fiscal Officer of the State shall have the
 15 authority to adjust the amount certified by the county collector if it is
 16 discovered that the certified amount is incorrect.

17 (c)(1) Beginning in 2001, on or before June 30 and November 15 of each
 18 year, the county collector of each county shall recertify to the Chief Fiscal
 19 Officer of the State the amount of the real property tax reduction provided
 20 in § 26-26-1118.

21 (2) The recertification shall reflect the most current total of
 22 tax reductions based on corrections and amendments to the records of the
 23 assessor.

24 (3) After receipt of the recertification from the county
 25 collectors, the Chief Fiscal Officer of the State shall redetermine the
 26 proportionate share of the total statewide reduction attributable to each
 27 county.

28
 29 *SECTION 2. Arkansas Code § 19-5-1103 is repealed.*

30 ~~*19-5-1103. Property Tax Relief Trust Fund.*~~

31 ~~*(a) There is hereby created on the books of the Treasurer of State,*~~
 32 ~~*the Auditor of State, and the Chief Fiscal Officer of the State a special*~~
 33 ~~*revenue fund to be known as the Property Tax Relief Trust Fund.*~~

34 ~~*(b) The fund shall consist of such revenues as generated by §§ 26-52-*~~
 35 ~~*302(e) and 26-53-107(e) and shall be used for such purposes as set out in §*~~
 36 ~~*26-26-310.*~~

1
2 SECTION 3. Arkansas Code Title 19, Chapter 5, Subchapter 1 is amended
3 to add an additional section to read as follows:

4 19-5-1123. Property Tax Relief Trust Fund.

5 (a)(1) There is created on the books of the Treasurer of State,
6 Auditor of State, and Chief Fiscal Officer of the State a special revenue
7 fund to be known as the "Property Tax Relief Trust Fund".

8 (2) The Treasurer of State shall credit to the Property Tax
9 Relief Trust Fund all moneys earned on the fund balance and the fund shall
10 retain its interest.

11 (b)(1) All moneys collected under §§ 26-52-302(c) and 26-53-107(c)
12 shall be deposited into the State Treasury to the credit of the fund as
13 special revenue.

14 (2) The fund shall also consist of any other revenues as may be
15 authorized by law.

16 (c) The fund and interest earned on the fund shall be used exclusively
17 for the purposes stated in § 26-26-310.

18 (d)(1) The Treasurer of State, as administrator of this fund, shall
19 review the flow of moneys through the trust fund in the State Treasury for
20 the purpose of estimating the amount of the moneys that may be surplus to the
21 immediate requirements of the fund.

22 (2)(A) After making the estimate, the Treasurer of State shall
23 invest the estimated surplus amount in certificates of deposit issued by any
24 financial institution located in the State of Arkansas.

25 (B) All interest income derived from the certificates of
26 deposit shall be credited to the fund.

27 (3) The State Treasurer shall transmit monthly to the county
28 treasurers and the city treasurers their proportionate share of the interest
29 derived from the investment of the fund.

30
31 SECTION 4. This act shall become effective on January 1, 2004.

32
33 /s/ Miller
34
35
36

1