

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 S3/25/03

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 determine the balance in the Property Tax Relief Trust
33 Fund and certify it to the Treasurer of State.

34 (ii)(a) The Treasurer of State, who shall determine
35 the amount of interest from §§ 26-52-302(c) and 26-53-107(c) and make
36 distributions from the fund to each county treasurer in accordance with the



03052003JSE1615.TWO163

1 county's proportionate share of the total statewide property tax reduction
2 for that calendar year resulting from the provisions of § 26-26-1118.

3
4 (b) The distributions to the counties shall
5 include the county's proportionate share of the interest earned on the
6 revenue derived from §§ 26-52-302(c) and 26-53-107(c).

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

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

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

21 (1) the The county's proportionate share
22 of the total property tax reduction of the counties that have certified their
23 property tax reductions; and

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

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

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

33 (ii)(a) Ninety-six percent (96%) of the funds
34 distributed to the county treasurer as the county's proportionate share of
35 the total statewide property tax reduction attributable to the county for the
36 calendar year shall be allocated and distributed to the various taxing

1 entities within the county that levy ad valorem taxes.

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

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

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

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

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

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

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

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

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

34 (C) Commencing December 31, 2002, and each December 31
35 thereafter, the Chief Fiscal Officer of the State, in cooperation with the
36 Legislative Council and the Legislative Auditor, shall determine that portion

1 of the balance remaining that is in excess of the required reimbursement to
 2 the counties and shall certify the excess to the Treasurer of State. Such
 3 excess funds may be used in accordance with subsequent legislation to provide
 4 additional tax relief or financial assistance to school districts that incur
 5 a reduction in revenue as a direct result of Arkansas Constitution, Amendment
 6 79.

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

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

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

18 (2) The recertification shall reflect the most current total of
 19 tax reductions based on corrections and amendments to the records of the
 20 assessor.

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

25

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

27 ~~*19-5-1103. Property Tax Relief Trust Fund.*~~

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

31 ~~*(b) The fund shall consist of such revenues as generated by §§ 26-52-*~~
 32 ~~*302(e) and 26-53-107(e) and shall be used for such purposes as set out in §*~~
 33 ~~*26-26-310.*~~

34

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

