

**Stricken language would be deleted from and underlined language would be added to the Arkansas
Constitution.**

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003

SJR 12

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5 By: Senator Bisbee

SENATE JOINT RESOLUTION

9 PROPOSING TO AMEND AMENDMENT 74 TO THE ARKANSAS
10 CONSTITUTION TO INCLUDE EXCESS DEBT SERVICE
11 MILLAGE IN THE UNIFORM RATE OF AD VALOREM
12 PROPERTY TAX REQUIRED FOR SCHOOL DISTRICTS.

Subtitle

15 PROPOSING TO AMEND AMENDMENT 74 TO THE
16 ARKANSAS CONSTITUTION TO INCLUDE EXCESS
17 DEBT SERVICE MILLAGE IN THE UNIFORM RATE
18 OF AD VALOREM PROPERTY TAX REQUIRED FOR
19 SCHOOL DISTRICTS.

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22 BE IT RESOLVED BY THE SENATE OF THE EIGHTY-FOURTH GENERAL ASSEMBLY OF THE
23 STATE OF ARKANSAS AND BY THE HOUSE OF REPRESENTATIVES, A MAJORITY OF ALL
24 MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

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26 That the following is proposed as an amendment to the Constitution of
27 the State of Arkansas, and upon being submitted to the electors of the state
28 for approval or rejection at the next general election for Senators and
29 Representatives, if a majority of the electors voting thereon at the
30 election, adopt the amendment, the amendment shall become a part of the
31 Constitution of the State of Arkansas, to wit:

32
33 SECTION 1. Amendment 74 of the Arkansas Constitution is amended to
34 read as follows:

35 Amend. 74. School tax - Budget - Approval of tax rate (Const., Art.
36 14, § 3, as amended by Const. Amend. 11 and Const. Amend. 40, amended).



1 (a) The General Assembly shall provide for the support of common
 2 schools by general law. In order to provide quality education, it is the goal
 3 of this state to provide a fair system for the distribution of funds. It is
 4 recognized that, in providing such a system, some funding variations may be
 5 necessary. The primary reason for allowing such variations is to allow school
 6 districts, to the extent permissible, to raise additional funds to enhance
 7 the educational system within the school district. It is further recognized
 8 that funding variations or restrictions thereon may be necessary in order to
 9 comply with, or due to, other provisions of this Constitution, the United
 10 States Constitution, state or federal laws, or court orders.

11 (b)(1) There is established a uniform rate of ad valorem property tax
 12 of twenty-five (25) mills to be levied on the assessed value of all taxable
 13 real, personal, and utility property in the state to be ~~used solely for~~
 14 dedicated to maintenance and operation of the schools or excess debt service.

15 (2) Except as provided in this subsection the uniform rate of
 16 tax shall not be an additional levy for maintenance and operation or excess
 17 debt service of the schools but shall replace a portion of the existing rate
 18 of tax levied by each school district available for maintenance and operation
 19 or excess debt service of schools in the school district. The rate of tax
 20 available for maintenance and operation or excess debt service levied by each
 21 school district on the original effective date of ~~this amendment~~ Amendment 74
 22 shall be reduced to reflect the levy of the uniform rate of tax. If the rate
 23 of tax available for maintenance and operation or excess debt service levied
 24 by a school district on the original effective date of ~~this amendment~~
 25 Amendment 74 exceeds the uniform rate of tax, the excess rate of tax shall
 26 continue to be levied by the school district until changed as provided in
 27 subsection (c)(1). If the rate of tax available for maintenance and operation
 28 or excess debt service levied by a school district on the original effective
 29 date of ~~this amendment~~ Amendment 74 is less than the uniform rate of tax, the
 30 uniform rate of tax shall nevertheless be levied in the district.

31 (3) The uniform rate of tax shall be assessed and collected in
 32 the same manner as other school property taxes, but the net revenues from the
 33 uniform rate of tax shall be remitted to the State Treasurer and distributed
 34 by the state to the school districts as provided by law. No portion of the
 35 revenues from the uniform rate of tax shall be retained by the state. The
 36 revenues so distributed shall be used by the school districts solely for

1 maintenance and operation of schools.

2 (4) The General Assembly may by law propose an increase or
3 decrease in the uniform rate of tax and submit the question to the electors
4 of the state at the next general election. If a majority of the electors of
5 the state voting on the issue vote "For" the proposed increase or decrease in
6 the uniform rate of tax, the uniform rate of tax shall be increased or
7 decreased as approved. If a majority of the electors of the state voting on
8 the issue vote "Against" the proposed increase or decrease in the uniform
9 rate of tax, the uniform rate of tax shall continue to be levied at the rate
10 for the year in which the election is held.

11 (c)(1) In addition to the uniform rate of tax provided in subsection
12 (b), school districts are authorized to levy, by a vote of the qualified
13 electors respectively thereof, an annual ad valorem property tax on the
14 assessed value of taxable real, personal, and utility property for the
15 maintenance and operation of schools and the retirement of indebtedness. The
16 Board of Directors of each school district shall prepare, approve and make
17 public not less than sixty (60) days in advance of the annual school election
18 a proposed budget of expenditures deemed necessary to provide for the
19 foregoing purposes, together with a rate of tax levy sufficient to provide
20 the funds therefor, including the rate under any continuing levy for the
21 retirement of indebtedness. The Board of Directors shall submit the tax at
22 the annual school election or at such other time as may be provided by law.
23 If a majority of the qualified voters in the school district voting in the
24 school election approve the rate of tax proposed by the Board of Directors,
25 then the tax at the rate approved shall be collected as provided by law. In
26 the event a majority of the qualified electors voting in the school election
27 disapprove the proposed rate of tax, then the tax shall be collected at the
28 rate approved in the last preceding school election. However, if the rate
29 last approved has been modified pursuant to subsection (b) or (c)(2) of this
30 section, then the tax shall be collected at the modified rate until another
31 rate is approved.

32 (2) The tax levied by a school district pursuant to subsection
33 (c)(1) of this section may be reduced pursuant to procedures provided by law
34 if the tax would cause the state or district to be out of compliance with any
35 other provision of this Constitution, the United States Constitution, state
36 or federal law, or court order.

1 (3) No tax levied pursuant to subsection (c)(1) of this section
2 shall be appropriated to any other district than that for which it is levied.

3 (d) For the purposes of this section:

4 (1) "Debt service millage" means the total number of mills voted
5 by the electors of a school district to be pledged as security for the
6 retirement of bonded indebtedness;

7 (2) "Debt service millage required" means the calculated millage
8 rate equal to the amount of millage pledged to mandatory callable bonds plus
9 the result of the scheduled calendar year bonded debt payment divided by the
10 total assessed value of real, personal, and utility property in the local
11 school district;

12 (3) "Excess debt service millage" means the difference between
13 the debt service millage levied and the debt service millage required; and

14 (4) ~~"maintenance and operation"~~ "Maintenance and operation"
15 means such expenses for the general maintenance and operation of schools, as
16 may be defined by the General Assembly by law.

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18 SECTION 2. This amendment shall be effective upon adoption and shall
19 relate back to the effective date of Amendment 74 to the Arkansas
20 Constitution.

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