

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

# A Bill

SENATE BILL 425

5 By: Senators D. Johnson, E. Cheatham, Elliott, J. Hendren, Holland, U. Lindsey, B. Pierce  
6 By: Representatives Dale, C. Armstrong, Catlett, Cozart, Deffenbaugh, J. Dickinson, Hobbs, Hopper, Jett,  
7 Lampkin, Lea, Lenderman, Lowery, McLean, Murdock, Perry, Ratliff, Talley, Wardlaw, Wren  
8

## For An Act To Be Entitled

10 AN ACT TO AMEND THE DISTRIBUTION OF STATE FUNDING TO  
11 SCHOOL DISTRICTS BASED ON NINETY-EIGHT PERCENT (98%)  
12 OF THE SCHOOL DISTRICT ASSESSMENT FOR THE UNIFORM  
13 RATE OF TAX; AND FOR OTHER PURPOSES.  
14  
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## Subtitle

16 TO AMEND THE DISTRIBUTION OF STATE  
17 FUNDING TO SCHOOL DISTRICTS BASED ON 98%  
18 OF THE SCHOOL DISTRICT ASSESSMENT FOR THE  
19 UNIFORM RATE OF TAX.  
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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25 SECTION 1. Arkansas Code § 6-20-2303(21), concerning the definition of  
26 "state foundation funding aid," is amended to read as follows:

27 (21) "State foundation funding aid" means the amount of state  
28 financial aid provided to ~~each~~ a school district under § 6-20-2305(a)(4) ~~and~~  
29 ~~computed as the difference between the foundation funding amount established~~  
30 ~~by the General Assembly and the sum of ninety-eight percent (98%) of the~~  
31 ~~uniform rate of tax multiplied by the property assessment of the school~~  
32 ~~district plus the miscellaneous funds of the school district;~~  
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34 SECTION 2. Arkansas Code § 6-20-2305(a)(4), concerning school funding,  
35 is amended to read as follows:

36 (4)(A)(i) ~~By~~ Except as provided in subdivisions (4)(C) and (D)



1 of this section, by the end of each school fiscal year, for a school district  
2 whose net revenues are less than the sum of ninety-eight percent (98%) of the  
3 uniform rate of tax multiplied by the property assessment of the school  
4 district, the Department of Education shall distribute to the school district  
5 the difference between:

6 ~~(i)(a)~~ The net revenues distributed to the  
7 school district as reported under § 26-80-101(b)(4)(A)(ii) for the calendar  
8 year immediately preceding the current school year; and

9 ~~(ii)(b)~~ The sum of ninety-eight percent (98%)  
10 of the uniform rate of tax multiplied by the property assessment of the  
11 school district.

12 (ii) The Department of Education may distribute to  
13 the school district a lesser amount than required under subdivisions  
14 (a)(4)(A)(i)(a) and (b) if after the lesser amount is distributed the school  
15 district will receive the foundation funding amount under § 6-20-2305(a).

16 (B) For a school district whose net revenues are more than  
17 the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied  
18 by the property assessment of the school district, the Department of  
19 Education, under the authority of § 6-20-2306, shall recoup from the school  
20 district an amount equal to the difference between:

21 (i) The net revenues of the school district; and

22 (ii) The sum of ninety-eight percent (98%) of the  
23 uniform rate of tax multiplied by the property assessment of the school  
24 district.

25 (C) The Department of Education shall not distribute to a  
26 school district the funds under subdivision (a)(4)(A)(i) of this section if,  
27 regardless of the school district's tax collection rate, the school  
28 district's net revenues meet or exceed the foundation funding amount set  
29 forth in § 6-20-2305(a).

30 ~~(C)(i)(D)(i)~~ Data A school district shall submit annually  
31 to the Department of Education data to verify the timely receipt of revenues  
32 applicable to the required ninety-eight percent (98%) of the uniform rate of  
33 tax multiplied by the property assessment of the school district ~~shall be~~  
34 ~~received annually by the Department of Education under § 26-80-~~  
35 101(b)(4)(A)(ii).

36 (ii)(a) ~~Data may be appropriately adjusted by the~~

1 ~~Department of Education if it is determined~~ The Department of Education may  
 2 adjust data appropriately if it determines that irregular distributions by a  
 3 county treasurer of excess commissions cause a school district's property tax  
 4 collection rate from the uniform rate of tax to exceed ninety-eight percent  
 5 (98%).

6 (b) The Department of Education may adjust the  
 7 uniform rate of tax from an irregular distribution to an amount not in excess  
 8 of ninety-eight percent (98%) and apply the excess distribution amount the  
 9 following school year.

10 (iii) Evidence of overlapping revenue reporting or  
 11 irregular distributions shall be provided in the form required by the  
 12 Department of Education.

13  
 14 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
 15 General Assembly of the State of Arkansas that the Arkansas Constitution  
 16 requires the State of Arkansas to provide a general, suitable, and efficient  
 17 system of public education that provides a substantially equal opportunity  
 18 for an adequate education to all public school students; that school  
 19 districts prepare their annual budgets based upon the distribution of funds  
 20 under § 6-20-2305(a)(4); and that, in order to ensure that a substantially  
 21 equal opportunity for an adequate education is provided, this act is  
 22 immediately necessary so that a school district may prepare its budgets for  
 23 the 2013-2014 school year based upon the new law. Therefore, an emergency is  
 24 declared to exist, and this act being immediately necessary for the  
 25 preservation of the public peace, health, and safety shall become effective  
 26 on:

27 (1) The date of its approval by the Governor;

28 (2) If the bill is neither approved nor vetoed by the Governor, the  
 29 expiration of the period of time during which the Governor may veto the bill;  
 30 or

31 (3) If the bill is vetoed by the Governor and the veto is overridden,  
 32 the date the last house overrides the veto.

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