

1 State of Arkansas *As Engrossed: S3/7/19 H3/27/19*

2 92nd General Assembly

# A Bill

3 Regular Session, 2019

SENATE BILL 447

4

5 By: Senator J. Hendren

6 *By: Representatives L. Fite, Jett*

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8

## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING PROPERTY TAX  
10 RELIEF AND THE PROPERTY TAX RELIEF TRUST FUND; TO  
11 INCREASE THE HOMESTEAD PROPERTY TAX CREDIT; TO  
12 MAINTAIN FUNDING FOR CURRENT PROPERTY TAX RELIEF AND  
13 BROADER-BASED TAX RELIEF; TO PROVIDE FOR THE USE OF  
14 THE EXCESS FUNDS IN THE PROPERTY TAX RELIEF TRUST  
15 FUND FOR ADDITIONAL PURPOSES; TO PROVIDE FOR  
16 ADDITIONAL DISTRIBUTIONS FROM THE PROPERTY TAX RELIEF  
17 TRUST FUND; TO DECLARE AN EMERGENCY; AND FOR OTHER  
18 PURPOSES.

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## Subtitle

22 TO INCREASE THE HOMESTEAD PROPERTY TAX  
23 CREDIT; TO MAINTAIN FUNDING FOR CURRENT  
24 PROPERTY TAX RELIEF; TO PROVIDE FOR THE  
25 USE OF THE EXCESS FUNDS IN THE PROPERTY  
26 TAX RELIEF TRUST FUND; AND TO DECLARE AN  
27 EMERGENCY.

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30 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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32 SECTION 1. Arkansas Code § 26-26-310(b)(2)(C), concerning the Property  
33 Tax Relief Trust Fund and the certification of the amount of property tax  
34 reduction, is amended to read as follows:

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(C)(i) On or before December 31 of each year, the Chief  
Fiscal Officer of the State, in cooperation with the Legislative Council and



1 the Legislative Auditor, shall determine that portion of the balance  
2 remaining in the Property Tax Relief Trust Fund that is in excess of the  
3 required reimbursement to the counties and shall certify the excess to the  
4 Treasurer of State.

5 (ii) Beginning December 31, 2005, and on December 31  
6 of each subsequent year, the Treasurer of State shall:

7 (a) ~~Calculate an amount equal to one percent~~  
8 ~~(1%) of the amount of the excess funds certified in subdivision (b)(2)(G)(i)~~  
9 ~~of this section;~~

10 (b) Calculate each county's proportionate  
11 share of ~~the amount calculated in subdivision (b)(2)(G)(ii)(a) of this~~  
12 ~~section~~ one million dollars (\$1,000,000) based on the proportions used to  
13 reimburse the county for property tax reductions under subsection (a) of this  
14 section; ~~and~~

15 (c) ~~(b)~~ Transfer the amount calculated under  
16 subdivision ~~(b)(2)(G)(ii)(b)~~ (b)(2)(C)(ii)(a) of this section to the county  
17 treasurer for allocation to the county assessor for use by the county  
18 assessor for the costs of administering Arkansas Constitution, Amendment 79,  
19 including without limitation costs for personnel, equipment, services, and  
20 postage used in the administration of Arkansas Constitution, Amendment 79;

21 (d) Distribute two million dollars  
22 (\$2,000,000) from the Property Tax Relief Trust Fund to the counties in the  
23 state using the formula stated in § 19-5-602(c)(1); and

24 (e) Distribute two million dollars  
25 (\$2,000,000) from the Property Tax Relief Trust Fund to the municipalities in  
26 the state using the formula stated in § 19-5-601(c).

27 (iii) ~~(a) These funds shall be used by the county~~  
28 ~~assessor for the costs of administering Arkansas Constitution, Amendment 79.~~

29 (b) ~~These costs include personnel, equipment,~~  
30 ~~services, and postage used in the administration of Arkansas Constitution,~~  
31 ~~Amendment 79.~~

32 (D)(i)(a) For calendar year 2019, by the last business day  
33 of each month following the effective date of this act, the Chief Fiscal  
34 Officer of the State shall certify to the Treasurer of State the total amount  
35 of moneys credited to the Property Tax Relief Trust Fund since the effective  
36 date of this act.

1 (b) For calendar years after 2019, by the last  
2 business day of each month, the Chief Fiscal Officer of the State shall  
3 certify to the Treasurer of State the total amount of moneys credited to the  
4 Property Tax Relief Trust Fund for the year.

5 (ii) The Chief Fiscal Officer of the State shall  
6 determine annually the estimated amount needed to fund the distributions  
7 required under subdivision (b)(2)(C) of this section for the next year.

8 (iii) When the amount certified by the Chief Fiscal  
9 Officer of the State under subdivision (b)(2)(D)(i) of this section exceeds  
10 the amount determined under subdivision (b)(2)(D)(ii) of this section for the  
11 year:

12 (a)(1) By July 1, 2019, the Treasurer of State  
13 shall make a one-time transfer of eight million two hundred forty-six  
14 thousand five hundred seventy-three dollars (\$8,246,573) to the County Voting  
15 System Grant Fund.

16 (2) The transfer required under  
17 subdivision (b)(2)(D)(iii)(a)(1) of this section shall occur as soon as  
18 practicable after July 1, 2019, if, by July 1, 2019, the amount certified by  
19 the Chief Fiscal Officer of the State under subdivision (b)(2)(D)(i) of this  
20 section does not exceed the amount determined under subdivision (b)(2)(D)(ii)  
21 of this section by the full amount required for the transfer under  
22 subdivision (b)(2)(D)(iii)(a)(1) of this section; and

23 (b) Except as provided in subdivision  
24 (b)(2)(D)(iii)(a) of this section, the revenues credited to the Property Tax  
25 Relief Trust Fund in excess of the amount determined under subdivision  
26 (b)(2)(D)(ii) of this section shall be transferred from the Property Tax  
27 Relief Trust Fund to the Long Term Reserve Fund.

28 ~~*(iv) The remaining excess funds may be used in*~~  
29 ~~*accordance with subsequent legislation to provide additional tax relief or*~~  
30 ~~*financial assistance to school districts that incur a reduction in revenue as*~~  
31 ~~*a direct result of Arkansas Constitution, Amendment 79.*~~

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33 SECTION 2. Arkansas Code § 26-26-1118(a)(1)(A), concerning the  
34 homestead property tax credit and the limitation on the increase of a  
35 property's assessed value for property tax purposes, is amended to read as  
36 follows:

1 (a)(1)(A) There is established a homestead property tax credit for  
2 each assessment year that reduces the amount of real property taxes assessed  
3 on the homestead of each property owner by ~~three hundred fifty dollars (\$350)~~  
4 three hundred seventy-five dollars (\$375).

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6 SECTION 3. EFFECTIVE DATE. Section 2 of this act is effective for  
7 assessment years beginning on or after January 1, 2019.

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9 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the  
10 General Assembly of the State of Arkansas that the Property Tax Relief Trust  
11 Fund has excess revenues that are not being used efficiently by the state;  
12 that it would assist in the effective and efficient administration of  
13 government to more fully utilize available state revenues for important  
14 purposes and programs in the state; that it is in the best interest of the  
15 state to use existing revenues in a fiscally responsible manner rather than  
16 increasing the burden on Arkansas residents; and that this act is immediately  
17 necessary because expanding the use of the state revenue in the Property Tax  
18 Relief Trust Fund will allow the state to more effectively use existing state  
19 revenue to address immediate concerns in the state. Therefore, an emergency  
20 is declared to exist, and this act being immediately necessary for the  
21 preservation of the public peace, health, and safety shall become effective  
22 on:

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

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

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

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31 /s/J. Hendren

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34 **APPROVED: 4/9/19**