

Exhibit 23



Debra Asbury
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ASSESSMENT COORDINATION DEPARTMENT

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August 15, 2006

Mr. Mark Hudson
State Capitol, Room 315
Little Rock, AR 72201

Re: Updated Exhibits for the 2006 Interim Study on Educational Adequacy in Arkansas

Dear Mark:

This is in reply to the July 20th letter of inquiry from the Co-chairs of the Interim Committee on Education. The letter asked for a review of Exhibit #126 and to provide updated information. We have no changes to Exhibit #126. We do have additional documents for the consideration of the Committee.

The first is Act 27 of 2006 First Extraordinary Session. This Act sets in motion a process for Assessment Coordination Department (ACD) to collect information from counties as to the actual property tax collections in the various school districts among other things.

The second is Rule 6.0 to 6.2. These are ACD emergency rules adopted June 15, 2006, and are in response to Act 27 previously mentioned. The rules are not yet final but are expected to now be in the final form for implementation in 2007.

The third document is a template of an excel spreadsheet for counties to use in the reporting of property tax collections to ACD. There are three pages to the document. The first page is for county data entry, the second is a calculation section and the third is the report. This template may not be in its final form but does address all of the substantive issues that have come to light in the meetings thus far in the rulemaking process.

If we can be of further assistance please do not hesitate to call.

Sincerely,


Debra Asbury
Director

DA:FR/rr

ACT 27 OF 2006 FIRST EXTRAORDINARY SESSION

State of Arkansas
85th General Assembly
First Extraordinary Session, 2006

As Engrossed: S4/4/06
A Bill

Call Item 14
SENATE BILL 6

By: Education Committee - Senate
By: Representatives Elliott, Pickett

For An Act To Be Entitled

AN ACT TO ADDRESS THE ISSUES RAISED IN THE MOST RECENT LAKEVIEW OPINION REGARDING THE NINETY-EIGHT PERCENT (98%) COLLECTION RATE FOR PROPERTY TAXES BY CREATING A MECHANISM TO PROVIDE FOR UNIFORM ACCOUNTING BY ADOPTING A STATEWIDE SET OF REPORTING INSTRUCTIONS FOR EACH COUNTY; TO ALLOW THE ASSESSMENT COORDINATION DEPARTMENT TO CREATE A UNIFORM STATEWIDE SET OF INSTRUCTIONS FOR REPORTING COUNTY PROPERTY TAX COLLECTION INFORMATION; AND FOR OTHER PURPOSES.

Subtitle

TO ADDRESS THE ISSUES RAISED IN THE MOST RECENT LAKEVIEW OPINION REGARDING THE NINETY-EIGHT PERCENT (98%) COLLECTION RATE FOR PROPERTY TAXES.

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

SECTION 1. Arkansas Code § 6-20-2202(g), regarding the budget and expenditure reports prepared by school districts, is amended to read as follows:

(g)(1) The Treasurer of State shall withhold the monthly distribution of county aid provided under § 19-5-602(c) from any county whose ~~county clerk~~ county official who is the preparer of the tax books fails to provide by March 15 of each calendar year information ~~to the department~~ concerning the annual abstract of assessment that reflects the aggregate value of the real and personal property for each school district located wholly or in part in the county as follows:

(A) If the county is capable of providing the information electronically, then the information shall be provided to both the Department of Education and the Assessment Coordination Department; and

(B) If the county is not capable of providing the information electronically, then the information shall be provided only to the Assessment Coordination Department.

(2) The information transmitted to the department shall also include:

(A) The previous calendar year's property assessment that will be used for ad valorem tax collections in the current year; and

(B) The millage rates, which shall be listed by the type of millage, levied against that property assessment.

SECTION 3. Arkansas Code Title 25, Chapter 28, Subchapter 1 is amended to add an additional section to read as follows:

25-28-109. Additional authority.

The Assessment Coordination Department shall promulgate the necessary rules to fully implement the provisions of uniform reporting requirements as required under § 26-26-2001 with input from all of the following:

- (1) The State Board of Education;
- (2) The Department of Education;
- (3) The Division of Legislative Audit;
- (4) The Commissioner of State Lands;
- (5) The appropriate county officials; and
- (6) The appropriate school district officials.

SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the Arkansas Supreme Court declared the public school funding system to be inadequate and that the public schools are operating under a constitutional infirmity which must be corrected immediately; that to correct the constitutional infirmity and to ensure adequate funding for public education, the General Assembly must have more accurate and timely information regarding the assessment, settlement, and collection of property taxes by the counties; and that this act is necessary to allow the Assessment Coordination Department, the Department of Education, and the counties sufficient time to make all necessary rules, adjustments, calculations, and reports that will be necessary prior to the convening of the 86th General Assembly. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on:

- (1) The date of its approval by the Governor;
- (2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or
- (3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/ Education Committee - Senate

APPROVED: 4/11/2006

Chapter 6 Uniform Reporting of Assessments and Collections

RULE 6.0

UNIFORM REPORTING OF ASSESSMENTS.

STATUTORY AUTHORITY ACA 26-28-108

STAUTTORY AUTHORITY ACA 26-28-304

On or before March 15th of each year the Preparer of the Tax Books for each county shall provide a copy of the Abstract of Assessments to the Assessment Coordination Department. Said copy of Abstract of Assessments shall be the same as reported to the Arkansas Department of Education on or before March 15th of each year and shall include the total assessment by school district that was delivered to the County Tax Collector (Tax Books) for tax collection purposes.

RULE 6.1

UNIFORM REPORTING OF DELIQUENT TAXES

If not included in the above Abstract of Assessments as defined in rule 6.0, the following items relating to real property assessments shall be added:

Previous year delinquent real estate assessments.

If included in the above Abstract of Assessments as defined in rule 6.0, the following items relating to real property assessments shall be **deleted**:

Delinquent assessment certified to the State of Arkansas Office of Commissioner of State Lands (two year delinquent).

RULE 6.2

UNIFORM REPORTING OF COUNTY TAX SETTLEMENTS

STATUTORY AUTHORITY ACA 26-26-2001

On or before February 15 the Preparer of the Tax Books shall provide to the Assessment Coordination Department:

1. A copy of the final tax settlement filed with and approved by the County Court on or before December 31 of the previous year.
2. Delinquent personal taxes collected in the previous calendar year as reflected on the County Clerk's monthly distributions to the taxing districts. The monthly distribution information provided shall be for January through December **collections**, regardless of actual distribution date.
3. Delinquent real estate taxes collected in the previous calendar year as reflected in the County Clerk's monthly distributions to the taxing districts. The monthly

SAMPLE COUNTY, ARKANSAS REAL ESTATE TAX SETTLEMENT 2003 TAXES COLLECTED IN 2004

SCHOOL DISTRICTS	REAL ESTATE				ADDED REAL				ERRORS AND CREDITS				DISABLED VETERANS		
	MILLAGE RATE	ORIGINAL CHARGE VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX
School District #1	35.6	33,414,300	1,186,549.08	103,770	3,694.21	64,540	2,297.62	129,200	4,599.52	0	0.00	0	0.00	0	0.00
Crossover School District #1	35.6	64,280	2,288.37	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
School District #2	34.5	864,605	29,828.87	0	0.00	35,816	1,235.65	0	0.00	0	0.00	0	0.00	0	0.00
School District #3	34.46	2,834,630	97,681.35	770	26.53	790	27.22	0	0.00	0	0.00	0	0.00	0	0.00
School District #4	40.0	63,503,666	2,540,146.64	172,840	6,913.60	124,238	4,969.56	277,900	11,116.00	0	0.00	0	0.00	0	0.00
Total Schools		100,681,481.00	3,859,494.31	277,380.00	10,634.34	225,385.00	8,530.05	407,100.00	15,715.52						

SCHOOL DISTRICTS	PERSONAL PROPERTY				ADDED PERSONAL				ERRORS AND CREDITS				DISABLED VETERANS		
	MILLAGE RATE	ORIGINAL CHARGE VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX
School District #1	35.6	11,652,985.00	414,844.49	25,375.00	903.35	76,500	2,723.40	73,850	2,629.06	0	0.00	0	0.00	0	0.00
Crossover School District #1	35.6	6,140.00	218.58	4,560.00	163.05	4,660	163.05	0	0.00	0	0.00	0	0.00	0	0.00
School District #2	34.5	343,340.00	11,845.23	0	0.00	4,640	160.08	0	0.00	0	0.00	0	0.00	0	0.00
School District #3	34.46	1,173,540.00	40,440.19	2,630.00	90.63	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
School District #4	40.0	22,806,380.00	912,255.60	132,630.00	5,305.20	59,685	2,387.80	111,660	4,467.20	0	0.00	0	0.00	0	0.00
Total Schools		35,982,345.00	1,379,604.09	165,215.00	6,462.23	145,415.00	5,434.33	185,530.00	7,096.26						

SCHOOL DISTRICTS	UTILITY REAL				UTILITY PERSONAL						
	MILLAGE RATE	ORIGINAL CHARGE VALUATION	TAX	VALUATION	ORIGINAL CHARGE UTILITY AND CARRIER TAX VALUATION	TAX	VALUATION	ADDED PERSONAL VALUATION	TAX	VALUATION	TAX
School District #1	35.6	5,322,359.00	189,475.98	0	0	0	0	0	0	0	0
Crossover School District #1	35.6	6,533.00	232.57	0	0	0	0	0	0	0	0
School District #2	34.5	277,245.00	9,564.95	0	0	0	0	0	0	0	0
School District #3	34.46	673,310.00	23,202.28	0	0	0	0	0	0	0	0
School District #4	40.0	4,043,800.00	161,752.00	0	0	0	0	0	0	0	0
Total Schools		10,323,247.00	384,227.76	0	0	0	0	0	0	0	0

SCHOOL DISTRICTS	NET TAX COLLECTED REAL	NET TAX COLLECTED PERSONAL	NET TAX COLLECTED UTILITY REAL	NET TAX COLLECTED UTILITY PERSONAL	MISC DEBITS/ CREDITS	HOMESTEAD CREDIT	COLLECTORS/ TREASURERS INTEREST	NET TREASURERS COMMISSION TAKEN	EXCESS COLLECTORS COMMISSION	DELINQUENT PERSONAL
School District #1	846,088.06	342,137.76	188,662.84	0.00	50.75	289,957.37	1,191.28	3,664.75	27,428.61	69,554.92
Crossover School District #1	2,014.61	218.58	232.57	0.00	0.00	273.76	1.79	0.00	35.12	0.00
School District #2	20,022.26	8,001.76	9,564.95	0.00	0.00	6,653.64	32.52	0.00	724.00	3,701.34
School District #3	78,590.30	35,338.21	23,126.45	0.00	0.00	14,657.14	116.59	0.00	2,482.76	4,589.73
School District #4	1,876,665.17	758,578.20	181,468.80	0.00	187.76	530,028.66	2,420.73	7,282.88	54,455.87	122,562.97
Total Schools	2,823,390.40	1,145,274.54	382,955.61	0.00	248.51	850,970.59	3,764.91	10,947.63	85,126.36	200,438.96
	Rule 6.2.1	Rule 6.2.1	Rule 6.2.1	Rule 6.2.1	Rule 6.2.1	Rule 6.2.1	Rule 6.2.6	Rule 6.2.7	Rule 6.2.1	Rule 6.2.2
										Rule 6.2.8

SCHOOL DISTRICTS	DELINQUENT REAL	COMMISSIONER OF STATE LAND	COLLECTOR'S COMMISSION	ASSESSOR'S SALARY AND EXPENSE	COST PRORATED REAL	COST PRORATED PERSONAL	CLERKS FEES	EQUALIZATION BOARD	REAPPRAISAL EXPENSE	MISC
School District #1	61,248.27	0.00	55,109.86	39,214.89	443.81	1,226.90	0.00	175.68	16.22	0.00
Crossover School District #1	0.00	0.00	98.76	78.22	0.00	0.00	0.00	1.67	0.00	0.00
School District #2	3,148.88	0.00	1,504.59	20.81	20.81	66.16	0.00	4.64	0.00	10.95
School District #3	5,884.36	0.00	5,485.97	3,549.41	48.12	93.29	15.90	15.90	0.00	0.00
School District #4	184,103.40	0.00	111,985.52	77,854.91	1,348.89	2,715.13	0.00	348.78	0.00	0.00
Total Schools	234,384.91	0.00	174,184.70	121,732.52	1,861.63	4,100.90	0.00	546.67	16.22	10.95
	Rule 6.2.3	Rule 6.2.4	Rule 6.2.4	Rule 6.2.4	Rule 6.2.4	Rule 6.2.4	Rule 6.2.4	Rule 6.2.4	Rule 6.2.4	Rule 6.2.4

SAMPLE COUNTY, ARKANSAS
ANALYSIS OF TAXES COLLECTED
TAXES COLLECTED IN 2004

2003 ASSESSMENT COLLECTIBLE 2004		NET TAX COLLECTED 2004 FINAL TAX SETTLEMENT				NET TAX COLLECTED INCLUDING DELINQUENT COLLECTIONS				
ORIGINAL ASSESSMENT	ADJUSTED ASSESSMENT	ADJUSTED ORIGINAL CHARGE	PRE-PRORATION TAXES COLLECTED	POST PRORATION TAXES COLLECTED	PRE-PRORATION TAXES COLLECTED	POST-PRORATION TAXES COLLECTED	PRE-PRORATION %	POST-PRORATION %	PRE-PRORATION %	POST-PRORATION %
50,466,547.00	50,251,602.00	1,788,957.03	1,678,946.33	93.85%	1,607,562.02	89.86%	1,809,749.52	101.16%	1,738,365.21	97.17%
1,485,190.00	76,953.00	49,843.32	44,242.61	88.76%	42,367.82	85.00%	51,092.83	102.51%	49,218.04	98.75%
4,681,480.00	4,684,090.00	161,413.74	151,712.10	93.99%	145,120.76	89.91%	162,186.19	100.48%	155,594.85	96.40%
90,353,856.00	90,085,812.00	3,603,432.48	3,327,938.61	92.35%	3,183,279.10	88.34%	3,614,634.98	100.31%	3,469,975.47	96.30%
146,987,073.00	145,098,457.00	5,603,646.57	5,202,839.65	92.85%	4,978,329.70	88.84%	5,637,563.52	100.61%	5,413,153.57	96.60%

SCHOOL DISTRICTS

School District #1
School District #2
School District #3
School District #4

Total Schools