

# Exhibit 24

Memo

To: House Interim Committee on Revenue and Taxation  
Senate Interim Committee on Revenue and Taxation  
House Interim Committee on Education  
Senate Interim Committee on Education

From: Assessment Coordination Department

Re: Preliminary report on the implementation of Act 27 (98% collection rate)

Date: November 8, 2006

Act 27 of 2006 First Extraordinary Session, to address the issues raised in the most recent Lakeview opinion regarding the ninety-eight percent (98%) collection rate for property taxes, requires the Assessment Coordination Department (ACD) to present its preliminary report to these committees by November 15, 2006.

ACD reports the following:

The ACD has promulgated rules, which are emergency rules and in the process of being made permanent. ACD met with and gained input from the Division of Legislative Audit; the Department of Education; the Commissioner of State Lands; the State Board of Education; appropriate county officials and appropriate school district officials. These rules are attached.

ACD, with input from representatives of the above mentioned groups, has developed a template (a pre-designed Excel spreadsheet) for use by the preparer of the tax books in the reporting of property taxes distributed to school districts within a calendar year. A printout of the template is attached.

ACD has identified the Preparer of the Tax Books in each of the counties in Arkansas. ACD has sent to each Preparer of the Tax Books a copy of the template and a copy of the rules.

The property tax collection information is expected on or before February 15, 2007. The completed templates are to be returned to the ACD electronically, either via email or compact disc. As of today, no information has been required. Therefore, ACD cannot provide a list of the counties that have complied with the rules.

ACD and the Division of Legislative Audit made a presentation to the Association of Arkansas Counties on August 10, 2006 regarding the Uniform Reporting of Assessment and Collections (Act 27). ACD made a presentation to the Arkansas Assessors Association on October 17, 2006 about Act 27. Both meetings were well attended and lengthy question and answer sessions followed each.

In all discussions and presentations, everyone involved has shown an understanding of the need for the information required by Act 27. In general, everyone has expressed a willingness to cooperate in this reporting process and work toward achieving the goals of Act 27. The main concern expressed has been who in each county should be responsible for reporting the information. The point of contention being that in some cases, all of the data required by the template is not the responsibility of the Preparer of the Tax Books, i.e. delinquent collections. This issue has raised some heated discussions during the rule making process. ACD needs one county official to be responsible for the completion and submission of the template. However, it is possible the Preparer of the Tax Books will not want to be held responsible for numbers they did not produce.

ACD will be happy to continue to report to the committees or meet with the committees to provide further and updated information regarding the finalization of the rules and the implementation of Act 27 during the interim or in the upcoming regular session of the legislature.

TAX SETTLEMENT 2004 TAXES COLLECTED IN 2005

County Name	SAMPLE
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SCHOOL DISTRICTS	REAL ESTATE									
	MILLAGE RATE	ORIGINAL CHARGE		ADDED REAL		ERRORS AND CREDITS		DISABLED VETERANS		TAX
		VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	
School District #1			0.00		0.00		0.00		0.00	0.00
School District #2			0.00		0.00		0.00		0.00	0.00
School District #3			0.00		0.00		0.00		0.00	0.00
School District #4			0.00		0.00		0.00		0.00	0.00
School District #5			0.00		0.00		0.00		0.00	0.00
School District #6			0.00		0.00		0.00		0.00	0.00
School District #7			0.00		0.00		0.00		0.00	0.00
School District #8			0.00		0.00		0.00		0.00	0.00
School District #9			0.00		0.00		0.00		0.00	0.00
School District #10			0.00		0.00		0.00		0.00	0.00
School District #11			0.00		0.00		0.00		0.00	0.00
School District #12			0.00		0.00		0.00		0.00	0.00
Total Schools			0.00		-		-		-	-

SCHOOL DISTRICTS	PERSONAL PROPERTY									
	MILLAGE RATE	ORIGINAL CHARGE		ADDED PERSONAL		ERRORS AND CREDITS		DISABLED VETERANS		TAX
		VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	
School District #1			0.00		0.00		0.00		0.00	0.00
School District #2			0.00		0.00		0.00		0.00	0.00
School District #3			0.00		0.00		0.00		0.00	0.00
School District #4			0.00		0.00		0.00		0.00	0.00
School District #5			0.00		0.00		0.00		0.00	0.00
School District #6			0.00		0.00		0.00		0.00	0.00
School District #7			0.00		0.00		0.00		0.00	0.00
School District #8			0.00		0.00		0.00		0.00	0.00
School District #9			0.00		0.00		0.00		0.00	0.00
School District #10			0.00		0.00		0.00		0.00	0.00
School District #11			0.00		0.00		0.00		0.00	0.00
School District #12			0.00		0.00		0.00		0.00	0.00
Total Schools			-		-		-		-	-

SCHOOL DISTRICTS	UTILITY REAL					UTILITY PERSONAL				
	MILLAGE RATE	ORIGINAL CHARGE UTILITY AND CARRIER TAX		ORIGINAL CHARGE UTILITY AND CARRIER TAX		ADDED PERSONAL		ERRORS PERSONAL		TAX
		VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	
School District #1			-		0.00		0.00		0.00	0.00
School District #2			-		0.00		0.00		0.00	0.00
School District #3			-		0.00		0.00		0.00	0.00
School District #4			-		0.00		0.00		0.00	0.00
School District #5			-		0.00		0.00		0.00	0.00
School District #6			-		0.00		0.00		0.00	0.00
School District #7			-		0.00		0.00		0.00	0.00
School District #8			-		0.00		0.00		0.00	0.00
School District #9			-		0.00		0.00		0.00	0.00
School District #10			-		0.00		0.00		0.00	0.00
School District #11			-		0.00		0.00		0.00	0.00
School District #12			-		0.00		0.00		0.00	0.00
Total Schools			-		0		-		-	-

SCHOOL DISTRICTS	COMBINE										
	NET TAX COLLECTED REAL	NET TAX COLLECTED PERSONAL	NET TAX COLLECTED UTILITY REAL	NET TAX COLLECTED UTILITY PERSONAL	MISC DEBITS/ CREDITS	HOMESTEAD CREDIT	COLLECTOR'S/ TREASURER'S INTEREST	NET TREASURER'S COMMISSION TAKEN	EXCESS COLLECTORS COMMISSION	DELINQUENT PERSONAL	
	School District #1										
School District #2											
School District #3											
School District #4											
School District #5											
School District #6											
School District #7											
School District #8											
School District #9											
School District #10											
School District #11											
School District #12											
Total Schools	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	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 6.2.5	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	CLERK'S FEES	EQUALIZATION BOARD	REAPPRAISAL EXPENSE	MISC	
	School District #1										
	School District #2										
School District #3											
School District #4											
School District #5											
School District #6											
School District #7											
School District #8											
School District #9											
School District #10											
School District #11											
School District #12											
Total Schools	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Rule 6.2.3	Rule 6.2.4									

SCHOOL DISTRICTS	MILLAGE RATE	REAL ESTATE		PERSONAL		UTILITY REAL		UTILITY PERSONAL		TOTAL	
		ADJUSTED ORIGINAL CHARGE		ADJUSTED ORIGINAL CHARGE		ADJUSTED ORIGINAL CHARGE		ADJUSTED ORIGINAL CHARGE		ADJUSTED ORIGINAL CHARGE	
		VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX
School District #1	0	0	0.00	-	0	-	0	-	0	0.00	0
School District #2	0	0	0.00	-	0	-	0	-	0	0.00	0
School District #3	0	0	0.00	-	0	-	0	-	0	0.00	0
School District #4	0	0	0.00	-	0	-	0	-	0	0.00	0
School District #5	0	0	0.00	-	0	-	0	-	0	0.00	0
School District #6	0	0	0.00	-	0	-	0	-	0	0.00	0
School District #7	0	0	0.00	-	0	-	0	-	0	0.00	0
School District #8	0	0	0.00	-	0	-	0	-	0	0.00	0
School District #9	0	0	0.00	-	0	-	0	-	0	0.00	0
School District #10	0	0	0.00	-	0	-	0	-	0	0.00	0
School District #11	0	0	0.00	-	0	-	0	-	0	0.00	0
School District #12	0	0	0.00	-	0	-	0	-	0	0.00	0
Total Schools		-	-	-	0	-	0	-	0	0.00	0

SCHOOL DISTRICTS	TOTAL NET TAX COLLECTED	PERCENT OF ORIGINAL CHARGE COLLECTED BEFORE PRORATIONS	TOTAL PRORATIONS	NET TAX COLLECTED AFTER PRORATIONS	PERCENT OF ORIGINAL CHARGE COLLECTED AFTER PRORATIONS
School District #1	0.00	-	0.00	0.00	-
School District #2	0.00	-	0.00	0.00	-
School District #3	0.00	-	0.00	0.00	-
School District #4	0.00	-	0.00	0.00	-
School District #5	0.00	-	0.00	0.00	-
School District #6	0.00	-	0.00	0.00	-
School District #7	0.00	-	0.00	0.00	-
School District #8	0.00	-	0.00	0.00	-
School District #9	0.00	-	0.00	0.00	-
School District #10	0.00	-	0.00	0.00	-
School District #11	0.00	-	0.00	0.00	-
School District #12	0.00	-	0.00	0.00	-
Total Schools	0.00	-	0.00	0.00	-
	Rule 6.2.1	Rule 6.2.1		Rule 6.2.1	Rule 6.2.1

SCHOOL DISTRICTS	NET TAX COLLECTED INCLUDING DELINQUENT COLLECTIONS (AFTER PRORATIONS)	PERCENT OF ORIGINAL CHARGE COLLECTED AFTER PRORATIONS INCLUDING DELINQUENT COLLECTIONS	NET TAX COLLECTED INCLUDING DELINQUENT COLLECTIONS (BEFORE PRORATIONS)	PERCENT OF ORIGINAL CHARGE COLLECTED BEFORE PRORATIONS INCLUDING DELINQUENT COLLECTIONS
School District #1	0.00	-	0.00	-
School District #2	0.00	-	0.00	-
School District #3	0.00	-	0.00	-
School District #4	0.00	-	0.00	-
School District #5	0.00	-	0.00	-
School District #6	0.00	-	0.00	-
School District #7	0.00	-	0.00	-
School District #8	0.00	-	0.00	-
School District #9	0.00	-	0.00	-
School District #10	0.00	-	0.00	-
School District #11	0.00	-	0.00	-
School District #12	0.00	-	0.00	-
Total Schools	0.00	-	0.00	-

SAMPLE COUNTY  
ANALYSIS OF TAXES COLLECTED  
TAXES COLLECTED IN 2005

SCHOOL DISTRICTS	2004 ASSESSMENT COLLECTIBLE 2005			NET TAX COLLECTED 2005 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		
					TAXES COLLECTED	%	TAXES COLLECTED	%	TAXES COLLECTED	%			
School District #1	0.00	0.00	-	-	0.00	-	0.00	-	0.00	-	-	-	
School District #2	0.00	0.00	-	-	0.00	-	0.00	-	0.00	-	-	-	
School District #3	0.00	0.00	-	-	0.00	-	0.00	-	0.00	-	-	-	
School District #4	0.00	0.00	-	-	0.00	-	0.00	-	0.00	-	-	-	
School District #5	0.00	0.00	-	-	0.00	-	0.00	-	0.00	-	-	-	
School District #6	0.00	0.00	-	-	0.00	-	0.00	-	0.00	-	-	-	
School District #7	0.00	0.00	-	-	0.00	-	0.00	-	0.00	-	-	-	
School District #8	0.00	0.00	-	-	0.00	-	0.00	-	0.00	-	-	-	
School District #9	0.00	0.00	-	-	0.00	-	0.00	-	0.00	-	-	-	
School District #10	0.00	0.00	-	-	0.00	-	0.00	-	0.00	-	-	-	
School District #11	0.00	0.00	-	-	0.00	-	0.00	-	0.00	-	-	-	
School District #12	0.00	0.00	-	-	0.00	-	0.00	-	0.00	-	-	-	
Total Schools	0.00	0.00	-	0.00	0.00	-	0.00	-	0.00	-	0.00	-	

**RULE 6.001**  
**UNIFORM REPORTING OF ASSESSMENTS**

STATUTORY AUTHORITY ACA 26-28-108  
STATUTORY 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 ~~that reflects~~ 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 ~~to the Assessment Coordination Department~~ (Tax Books) for tax collection purposes.

Adopted and implemented 6/16/06 by emergency procedure

**RULE 6.12**  
**UNIFORM REPORTING OF DELINQUENT TAXES**

*On or before March 15<sup>th</sup> the County Collector of Taxes shall provide a report by school district to the Assessment Coordination Department of the following items:*

- 1. Current collection year delinquent collections*
- 2. Previous collection year delinquent collections*
- 3. Delinquent collections certified to the State of Arkansas Office of Commissioner of State Lands.*

Adopted and implemented 6/16/06 by emergency procedure

**RULE 6.23**  
**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 tax collected in the previous calendar year as reflected ~~in~~ on the County Clerks monthly distributions to the taxing districts;
3. Delinquent real estate taxes collected in the previous calendar year as reflected ~~in~~ on the in the County Clerks monthly distributions to the taxing districts. The monthly distribution information provided shall be for January through December collections, regardless of actual distribution date.
4. Delinquent real estate taxes distributed in the previous calendar year by the County Treasurer from real estate taxes collected by the State of Arkansas Office of the Commissioner of State Lands;
5. Homestead taxes received by the State of Arkansas distributed in the previous calendar year to the taxing districts by the County Treasurer;
6. Interest earned on funds by the County Tax Collector and or County Treasurer for the previous calendar year that were distributed to the taxing districts;
7. The net County Treasurer's commission allocated to the taxing districts for the previous calendar year;
8. County Tax Collector's excess commission for the previous year that was distributed to the taxing districts.
9. The preparer of the tax book shall use the template provided in ACD Rule 5.02 P-1 for reporting purposes.

Adopted and implemented 6/16/06 by emergency procedure

SAMPLE COUNTY  
ANALYSIS OF TAXES COLLECTED  
TAXES COLLECTED IN 2005

SCHOOL DISTRICTS	2004 ASSESSMENT COLLECTIBLE 2005		NET TAX COLLECTED				NET TAX COLLECTED				
	ORIGINAL ASSESSMENT	ADJUSTED ASSESSMENT	%	2005 FINAL TAX SETTLEMENT		INCLUDING DELINQUENT COLLECTIONS		POST-PRORATION		TAXES COLLECTED	
				ADJUSTED ORIGINAL CHARGE	PRE-PRORATION TAXES COLLECTED	POST PRORATION TAXES COLLECTED	PRE-PRORATION TAXES COLLECTED	POST-PRORATION TAXES COLLECTED	%		
School District #1	0.00	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
School District #2	0.00	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
School District #3	0.00	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
School District #4	0.00	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
School District #5	0.00	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
School District #6	0.00	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
School District #7	0.00	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
School District #8	0.00	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
School District #9	0.00	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
School District #10	0.00	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
School District #11	0.00	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
School District #12	0.00	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
Total Schools	0.00	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-