

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997
4

As Engrossed: H3/21/97 H3/26/97

A Bill

ACT 1040 OF 1997
HOUSE BILL 2093

5 *By: Joint Budget Committee*
6
7

For An Act To Be Entitled

9 "AN ACT TO MAKE AN APPROPRIATION FOR THE DISTRIBUTION OF
10 INCOME TAX SURCHARGE FUNDS TO SCHOOL DISTRICTS THAT FAILED
11 TO LEVY THE BASE MILLAGE FOR THE DEPARTMENT OF EDUCATION -
12 GENERAL EDUCATION DIVISION; AND FOR OTHER PURPOSES."

Subtitle

14 "AN ACT FOR THE DEPARTMENT OF EDUCATION
15 - GENERAL EDUCATION DIVISION - INCOME
16 TAX SURCHARGE DISTRIBUTION
17 APPROPRIATION."
18

19
20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. APPROPRIATIONS. There is hereby appropriated, to the
23 Department of Education - General Education Division, to be payable from the
24 Public School Fund, for the distribution of Income Tax Surcharge funds to
25 Local school districts that failed to levy the base millage, the
26 sum of\$2,000,000.
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28 SECTION 2. SPECIAL LANGUAGE. Immediately upon the effective date of
29 this Act, the Chief Fiscal Officer of the State shall transfer on his books
30 and those of the State Treasurer the sum of \$500,000 from the Budget
31 Stabilization Trust Fund to the Public School Fund.
32

33 SECTION 3. SPECIAL LANGUAGE. Arkansas Code Annotated § 6-20-312(b) and
34 (c) are hereby amended to read as follows:

35 "(b) On or before December 1, 1995, ~~and on or before each subsequent~~
36 ~~December 1 thereafter,~~ the Director of the Department of Education shall

1 certify to the Director of the Department of Finance and Administration the
2 name of any local school district which ~~has~~ failed to levy at least the base
3 millage.

4 (c) For the taxable years year beginning on ~~and after~~ January 1, 1996,
5 there is hereby levied an income tax surcharge of ten percent (10%) of the tax
6 liability of every individual resident of each local school district not
7 levying the base millage prior to December 1 of the preceding year, or
8 'certification year'."

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10 SECTION 4. SPECIAL LANGUAGE. Arkansas Code Annotated § 19-6-481 (b) is
11 hereby amended to read as follows:

12 "(b) At the end of each month, the Treasurer of the State shall certify
13 to the Department of Education such amounts as have accrued in the Public
14 School Support Fund and shall transfer such amounts to the Public School Fund,
15 where the Department of Education shall distribute these additional funds to
16 the local school districts that failed to levy the base millage in a fashion
17 that, when combined with the revenues produced by the millage available for
18 maintenance and operation actually levied by each local school district,
19 provides the same amount of revenue as would have been provided by levying the
20 base millage in such local school district. Further, if for any school
21 district the revenues generated by the income tax surcharge levied by Arkansas
22 Code Annotated § 6-20-312(c) is greater than the revenues that would have been
23 produced if the Base Millage had actually been levied by the school district,
24 then the total amount of revenues generated by the income tax surcharge from
25 the residents of that local school district shall be distributed back by the
26 Department of Education to that local school district."

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28 SECTION 5. SPECIAL LANGUAGE. Notwithstanding the provisions of
29 Arkansas Code Annotated 19-5-501 et seq., or any law to the contrary, up to
30 \$2,000,000 received by the Public School Fund from the Budget Stabilization
31 Trust Fund either by loan or transfer during the 1996-97 fiscal year, shall be
32 repaid from time to time by transfer by the State Treasurer from either the
33 Public School Support Fund or the Public School Fund solely from revenues
34 generated by the income tax surcharge levied by Arkansas Code Annotated §6-20-
35 312(c) after the provisions of Arkansas Code Annotated §19-6-481(b) have been

1 achieved.

2

3 SECTION 6. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
4 authorized by this Act shall be limited to the appropriation for such agency
5 and funds made available by law for the support of such appropriations; and
6 the restrictions of the State Purchasing Law, the General Accounting and
7 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
8 Procedures and Restrictions Act, or their successors, and other fiscal control
9 laws of this State, where applicable, and regulations promulgated by the
10 Department of Finance and Administration, as authorized by law, shall be
11 strictly complied with in disbursement of said funds.

12

13 SECTION 7. LEGISLATIVE INTENT. It is the intent of the General
14 Assembly that any funds disbursed under the authority of the appropriations
15 contained in this Act shall be in compliance with the stated reasons for which
16 this Act was adopted, as evidenced by the Agency Requests, Executive
17 Recommendations and Legislative Recommendations contained in the budget
18 manuals prepared by the Department of Finance and Administration, letters, or
19 summarized oral testimony in the official minutes of the Arkansas Legislative
20 Council or Joint Budget Committee which relate to its passage and adoption.

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22 SECTION 8. CODE. All provisions of this Act of a general and permanent
23 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
24 Code Revision Commission shall incorporate the same in the Code.

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26 SECTION 9. SEVERABILITY. If any provision of this Act or the
27 application thereof to any person or circumstance is held invalid, such
28 invalidity shall not affect other provisions or applications of the Act which
29 can be given effect without the invalid provision or application, and to this
30 end the provisions of this Act are declared to be severable.

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32 SECTION 10. GENERAL REPEALER. All laws and parts of laws in conflict
33 with this Act are hereby repealed.

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35 SECTION 11. EMERGENCY CLAUSE. It is found and determined by the

1 General Assembly of the State of Arkansas that some local school districts had
2 previously failed to levy the Base Millage for the maintenance and operational
3 costs, thereby placing those schools in jeopardy of not having sufficient
4 funds available. Therefore an emergency is declared to exist and this act
5 being immediately necessary for the preservation of the public peace, health
6 and safety shall become effective on the date of its approval by the Governor.
7 If the bill is neither approved nor vetoed by the Governor, it shall become
8 effective on the expiration of the period of time during which the Governor
9 may veto the bill. If the bill is vetoed by the Governor and the veto is
10 overridden, it shall become effective on the date the last house overrides the
11 veto.

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/s/Rep. Thicksten, et al

APPROVED:4-02-97

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