

Act 171 of the 1989 Regular Session.

Act 171

HB1093

By: Representative Willems

"AN ACT TO AUTHORIZE SCHOOL DISTRICTS, WITH VOTER APPROVAL,
TO COLLECT A TAX RESTRICTED FOR CAPITAL OUTLAY; AND FOR OTHER
PURPOSES."

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

SECTION 1. Capital outlay tax authorized. The Board of Directors of each school district is authorized, upon approval of a majority of the qualified voters in the school district voting in the annual school election, to levy and collect a tax not to exceed three percent (3%) of a school district's current expenses or two (2) mills whichever is less upon real and personal property for capital outlay of the school district. The approved tax shall be assessed, levied, and collected as provided by law for other school taxes.

SECTION 2. Restricted use of tax. (a) Any funds received from the collection of a capital outlay tax are restricted for the purpose of capital outlay. Capital outlay funds shall be accounted for in a separate fund. Capital outlay funds shall only be used for the following purposes:

- (1) the addition of classrooms necessary to meet emergency conditions or the school standards of 1983;
- (2) purchase of school buses; or
- (3) purchase of furniture or equipment directly related to required educational courses; or
- (4) repay revolving loans.

(b) Capital outlay funds collected under this Act are exempt from the provisions of Act 34 of the First Extraordinary Session of 1983, as amended.

SECTION 3. Pre-existing Capital Outlay Taxes. School districts which have levied a capital outlay tax prior to the adoption of this Act are authorized to continue such levies for the terms and purposes approved by the majority of voters at the time of their adoption. Any capital outlay levies proposed subsequent to the adoption of this Act shall be limited as set forth in Section 2 and when combined with capital outlay levies approved prior to the adoption of this Act and still in effect shall not exceed three percent (3%) of current expense or two (2) mills, whichever is less.

SECTION 4. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

APPROVED: February 22, 1989
