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

1	State of Arkansas	As Engrossed: S3/26/97	
2	81st General Assembly	A BIII ACT 1173 O	F 1997
3	Regular Session, 1997	SENATE BILL	618
4	By: Senator Fitch		
5			
6			
7		For An Act To Be Entitled	
8	"AN ACT TO RE	PEAL RELEVANT PROVISIONS FOUND IN ARKANSAS	
9	CODE ANNOTATE	D $^{\rm 6}$ 6-20-312 and uncodified subsections of	
10	SECTION 7 OF	ACT 917 OF 1995 DEALING WITH ENFORCEMENT	
11	MECHANISMS FO	R LOCAL SCHOOL DISTRICTS AND RESIDENTS	
12	THEREOF THAT	FAILED TO LEVY THE BASE MILLAGE REQUIRED BY	
13	ACTS 916 AND	917 OF 1995; TO REPEAL ARKANSAS CODE	
14	ANNOTATED 🖞 19	9-6-481 CONCERNING THE DISTRIBUTION OF	
15	REVENUES GENE	RATED FROM THESE ENFORCEMENT MECHANISMS; TO	
16	DECLARE AN EM	ERGENCY; AND FOR OTHER PURPOSES."	
17			
18		Subtitle	
19	"ТО	REPEAL ENFORCEMENT MECHANISMS FOR	
20	LOC	AL SCHOOL DISTRICTS AND RESIDENTS	
21	THE	REOF THAT FAILED TO LEVY THE BASE	
22	MIL	LAGE REQUIRED BY ACTS 916 AND 917 OF	
23	199	5."	
24			
25	BE IT ENACTED BY THE	GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:	
26			
27	SECTION 1. LI	EGISLATIVE PURPOSE. At the 1996 general election, th	e
28	voters of Arkansas a	pproved Proposed Amendment One to the Arkansas	
29	Constitution, estable	ishing a statewide property tax of twenty-five (25) m	ills
30	for support of the pr	ublic schools. As a result, individual school distri	cts
31	no longer have the op	ption of deciding whether to levy a millage of less t	han
32	twenty-five (25) mil.	ls. Consequently, those sections of the Arkansas Cod	e and
33	uncodified subsection	ns of Act 917 of 1995 that provide enforcement mechan	isms
34	for local school dist	tricts and residents thereof that fail to meet statut	ory
35	base millage require	ments are obsolete and should be repealed.	
36			

SB 618

 SECTION 2. Arkansas Code Annotated * 6-20-312 is repealed. (a) As used in this section: (i) "Base millage" means twenty-five (35) mills, excluding mills used to service debt; and (2) "Local school district" means a class of school districts which conduct the daily affairs of public schools pursuant to the supervisory authority vested in them by the General Assembly. (b) On or before December 1, 1995, and on or before each subsequent December 1 thereafter, the Director of the Department of Education shall certify to the Director of the Department of Education shall certify to the Director of the Department of Education shall certify to the Director of the Department of Education shall certify to the Director of the Department of Education shall certify to the Director of the Department of Education shall certify to the Director of the Department of Education shall certify to the Director of the Department of Education shall dense of any local school district which has failed to levy at least the base millage. (a) For taxable years beginning on and after January 1, 1996, there is hereby levied an income tax surcharge of ten percent (10%) of the tax likelity of every individual resident of each local school district not tevying the base stillage prior to December 1, of the proceeding year, or certification year. (c) An individual for the taxable year following the certification year. (d) An individual schall not be relived of liability for the tax eucharge if his or her local school district subsequently levice the base millage between December 1 of the certification year and the time the individual's tax return for the taxable year following the certification year is required to be filed. (e) The income tax subsequent is subsection (e) of this section.		
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29 the income tax surcharge levied in subsection (c) of this section. 30 (B) The surcharge shall be computed on the tax liability that would have 31 been due had the income tax exemption of [§] 26-52-601 et seq. not been 32 available. 33 (2) The income tax exemption of [§] 26-52-601 et seq. shall not apply to 34 the income tax levied in subsection (c) of this section. 35 (f) However, this section shall not apply to any district which has a	27	described in $\frac{4}{26-52-6-1}$ et seq., and a local school district within the
30 (B) The surcharge shall be computed on the tax liability that would have 31 been due had the income tax exemption of <u>\$ 26-52-601 et seq.</u> not been 32 available. 33 (2) The income tax exemption of <u>\$ 26-52-601 et seq.</u> shall not apply to 34 the income tax levied in subsection (c) of this section. 35 (f) However, this section shall not apply to any district which has a	28	border city does not levy the base millage, the individual shall be liable for
31 been due had the income tax exemption of ^A 26-52-601 et seq. not been 32 available. 33 (2) The income tax exemption of ^A 26-52-601 et seq. shall not apply to 34 the income tax levied in subsection (c) of this section. 35 (f) However, this section shall not apply to any district which has a	29	the income tax surcharge levied in subsection (c) of this section.
32 available. 33 (2) The income tax exemption of ^A 26-52-601 et seq. shall not apply to 34 the income tax levied in subsection (c) of this section. 35 (f) However, this section shall not apply to any district which has a	30	(B) The surcharge shall be computed on the tax liability that would have
33 (2) The income tax exemption of [§] 26-52-601 et seq. shall not apply to 34 the income tax levied in subsection (c) of this section. 35 (f) However, this section shall not apply to any district which has a	31	been due had the income tax exemption of ^{&} 26-52-601 et seq. not been
34 the income tax levied in subsection (c) of this section. 35 (f) However, this section shall not apply to any district which has a	32	available.
35 — (f) However, this section shall not apply to any district which has a	33	(2) The income tax exemption of ^A 26-52-601 et seq. shall not apply to
	34	the income tax levied in subsection (c) of this section.
36 local revenue per student in excess of the base local revenue per student.	35	(f) However, this section shall not apply to any district which has a
	36	local revenue per student in excess of the base local revenue per student.

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2	SECTION 3. Arkansas Code Annotated $^{\circ}$ 19-6-481 is repealed.
3	4 19-6-481. Public School Support Fund.
4	(a)(1) There is hereby created on the books of the Treasurer of State a
5	fund to known as the "Public School Support Fund".
6	
7	revenues and shall be deposited in the State Treasury and credited to the
8	Public School Support Fund.
9	(b) At the end of each month, the Treasurer of State shall certify to the
10	Department of Education such amounts as have accrued in the Public School
11	Support Fund and shall transfer such amounts to the Public School Fund, where
12	the Department of Education shall distribute those additional funds to the
13	local school districts that failed to levy the base millage in a fashion that,
14	when combined with the revenues produced by the millage available for
15	maintenance and operation actually levied by each local school district,
16	provides the same amount of revenues as would have been provided by levying
17	the base millage in such local school district. (c) As used in this
18	section:
19	(1) "Base millage" means twenty-five (25) mills, excluding mills used to
20	service debt; and
21	(2) "Local school district" means a class of school districts which
22	conduct the daily affairs of public schools pursuant to the supervisory
23	authority vested in them by the General Assembly.
24	
25	SECTION 4. Uncodified subsections (a), (b), and (c) of Section 7 of Act
26	917 of 1995 are repealed.
27	(a) If the Department of Education determines that a Local School
28	District has failed to levy at least the Base Millage, the Director of the
29	Department of Education shall so certify to the State Treasurer, the State
30	Auditor, and the Chief Fiscal Officer of the State. Upon such certification
31	the State Treasurer, the State Auditor, and the Chief Fiscal Officer of the
32	State shall transfer on their books and the State Treasurer shall cause to be
33	transferred from such sources as are enumerated herein, to the Public School
34	Fund created by Ark. Code Ann. ⁴ 19-5-305 an amount which, when combined with
35	the revenues produced by the millage actually levied by the Local School
36	District, provides the same amount of revenues as would have been produced by

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1	levying the Base Millage in the Local School District. Such transfer shall be
2	made from and shall not exceed the funded amounts available from the following
3	sources that would otherwise be distributed to the counties and municipalities
4	within which the Local School District is located:
5	(1) The monthly distribution of County Aid provided for under
6	Ark. Code Ann. ^A 19-5-602(b) derived from the revenues provided in Ark. Code
7	Ann. ^A 19-5-602(a).
8	(2) The monthly distribution of Municipal Aid provided for in
9	Ark. Code Ann. ^A 19-5-601(b) derived from the revenues provided in Ark. Code
10	Ann. ⁴ 19-5-601(a).
11	(3) Such funds as may be provided by appropriations of the
12	General Assembly for County Jail/Medical Reimbursements under the provisions
13	of Ark. Code Ann. ^A 12-27-114 et seq.
14	(b) The Department of Education shall distribute any funds transferred
15	pursuant to subsection (a) of this section to the Local School District that
16	failed to levy the Base Millage in a fashion that, when combined with the
17	revenues produced by the millage available for maintenance and operations
18	actually levied by the Local School District, provides the same amount of
19	revenues as would have been provided by levying the Base Millage in the Local
20	School District.
21	(c) For purposes of this section, a Local School District located in
22	two or more counties shall be considered located within the county,
23	municipality or political subdivision within which resides the greater number
24	of registered voters of the Local School District.
25	
26	SECTION 5. The provisions of this act shall be effective for taxable
27	years beginning on January 1, 1997, and following.
28	
29	SECTION 6. All provisions of this act of a general and permanent nature
30	are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
31	Revision Commission shall incorporate the same in the Code.
32	
33	SECTION 7. If any provision of this act or the application thereof to
34	any person or circumstance is held invalid, such invalidity shall not affect
35	other provisions or applications of the act which can be given effect without

36 the invalid provision or application, and to this end the provisions of this

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1	act are declared to be severable.
2	
3	SECTION 8. All laws and parts of laws in conflict with this act are
4	hereby repealed.
5	
6	SECTION 9. EMERGENCY. It is found and determined by the Eighty First
7	General Assembly of the State of Arkansas that, in light of voter approval at
8	the 1996 general election of Proposed Amendment One to the Arkansas
9	Constitution, which establishes a statewide property tax of twenty-five (25)
10	mills for the support of public schools, those provisions of the Arkansas Code
11	and uncodified portions of Act 917 of 1995 that provide enforcement mechanisms
12	for individual school districts and residents thereof that fail to levy a base
13	millage of twenty-five (25) mills are obsolete and should be repealed
14	immediately so as to eliminate confusion. Therefore an emergency is declared
15	to exist and this act being immediately necessary for the preservation of the
16	public peace, health and safety shall become effective on the date of its
17	approval by the Governor. If the bill is neither approved nor vetoed by the
18	Governor, it shall become effective on the expiration of the period of time
19	during which the Governor may veto the bill. If the bill is vetoed by the
20	Governor and the veto is overridden, it shall become effective on the date the
21	last house overrides the veto.
22	
23	/s/Fitch
24	
25	APPROVED: 4-08-97
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