Stricken language would be deleted from and underlined language would be added to present law. Act 322 of the Regular Session

1	State of Arkansas	A D:11	
2	89th General Assembly	A Bill	
3	Regular Session, 2013		HOUSE BILL 1353
4			
5	By: Representative Catlett		
6	By: Senator U. Lindsey		
7			
8		For An Act To Be Entitled	
9		AMEND THE DEFINITION OF SCHOOL DIST	
10		EOUS FUNDS AND THE METHOD OF CALCULA	TING
11	MISCELLAN	EOUS FUNDS; AND FOR OTHER PURPOSES.	
12			
13			
14		Subtitle	
15		MEND THE DEFINITION OF SCHOOL	
16	DIST	RICT MISCELLANEOUS FUNDS AND THE	
17	METH	OD OF CALCULATING MISCELLANEOUS	
18	FUND	s.	
19			
20			
21	BE IT ENACTED BY THE	GENERAL ASSEMBLY OF THE STATE OF ARK	ANSAS:
22			
23		ansas Code § 6-20-2303(11), concerni	ng the definition of
24		is amended to read as follows:	
25		"Miscellaneous funds" means <del>the aver</del>	-
26	collected in the five	(5) school years immediately preced	ing the previous
27	-	eived by a school district:	
28	(i)	( <u>A)</u> Consisting of:	
29		(a) Funds received by a school d	<del>istrict from</del> <u>From</u>
30	federal forest reserv	es, federal grazing rights, federal	mineral rights,
31	federal impact aid, f	ederal flood control, wildlife refug	;e funds, and
32	severance taxes; and		
33		(b)(B) Funds received by the sch	<del>ool district in</del> <u>In</u>
34	lieu of taxes, and lo	cal sales and use taxes dedicated to	education under §
35	26-74-201 et seq., §	26-74-301 et seq., § 26-75-301 et se	q., and the Local
36	Government Bond Act o	f 1985, § 14-164-301 et seq. <del>; and</del>	



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1	(ii) Multiplied by the ratio of the uniform rate of tax to
2	the school district's total millage rate in effect as of January 1 of the
3	fiscal year prior to the current funding year.
4	(B) If the school district did not receive funds from a
5	source of funds listed in subdivision (11)(A) of this section during the most
6	recent school year used to calculate the five-year average, then previous
7	collections from that source of funds shall not be included in the five-year
8	average.
9	(C) For the purpose of calculating the amount of
10	miscellaneous funds of a school district under this subdivision (11), a
11	school year is the period beginning on July 1 of a calendar year and ending
12	on June 30 of the next calendar year.
13	(D) For the 2008-2009 school year, miscellaneous funds
14	used to calculate the state foundation funding aid for a school district will
15	be the same as those used to calculate the state foundation funding aid for
16	the school district for the 2007-2008 school year;
17	
18	SECTION 2. Arkansas Code § 6-20-2303(21), concerning the definition of
19	"state foundation funding aid" in the Public School Funding Act of 2003 § 6-
20	20-2301 et seq., is mended to read as follows:
21	(21) "State foundation funding aid" means the amount of state
22	financial aid provided to each school district and computed as the difference
23	between the foundation funding amount established by the General Assembly and
24	the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied
25	by the property assessment of the school district plus the miscellaneous
26	funds of the school district under § 6-20-2305(a)(1);
27	
28	SECTION 3. Arkansas Code § 6-20-2305(a)(1)(A), concerning public
29	school funding, is amended to read as follows:
30	(a)(l)(A) For each school year, each school district shall receive
31	state foundation funding aid computed as <del>the difference between</del> the
32	foundation funding amount $pursuant$ to <u>under</u> subdivision (a)(2) of this
33	section <del>and</del> <u>less</u> the sum of <u>:</u>
34	(i) ninety-eight <u>Ninety-eight</u> percent (98%) of the
35	uniform rate of tax multiplied by the property assessment of the school
36	district; <del>plus</del> and

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1	(ii) the <u>An amount of</u> miscellaneous funds of the
2	school district <u>calculated under § 6-20-2308</u> .
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4	SECTION 4. Arkansas Code Title 6, Chapter 20, Subchapter 23, is
5	amended to add an additional section to read as follows:
6	6-20-2308. Calculation of miscellaneous funds.
7	(a) For the purpose of making an initial calculation of state
8	foundation funding aid, the Department of Education shall calculate the
9	miscellaneous funds of a school district as:
10	(1) The aggregate amount of miscellaneous funds a school
11	district received in the calendar year immediately preceding the beginning of
12	the current school fiscal year; multiplied by
13	(2) The ratio of the uniform rate of tax to the school
14	district's total millage rate in effect as of January 1 of the calendar year
15	in which the school district received the miscellaneous funds.
16	(b)(1) Except as provided under subdivision (b)(2) of this section,
17	for a school district that receives state foundation funding aid and
18	receives an aggregate amount of miscellaneous funds during the calendar year
19	in which the current school fiscal year began that is less than the aggregate
20	amount of miscellaneous funds the school district received in the calendar
21	year immediately preceding the beginning of the current school fiscal year,
22	by the end of the school fiscal year the department shall distribute to the
23	school district an amount equal to the difference between:
24	(A) The amount of miscellaneous funds calculated for the
25	calendar year in which the current school fiscal year began; and
26	(B) The amount of miscellaneous funds calculated for the
27	calendar year immediately preceding the beginning of the current school
28	fiscal year.
29	(2) The sum of the following amounts shall not exceed the
30	foundation funding amount under § 6-20-2305(a)(2):
31	(A) State foundation funding aid for the current school
32	<u>fiscal year;</u>
33	(B) The school district's miscellaneous funds calculated
34	for the calendar year in which the school fiscal year began;
35	(C) Ninety-eight percent (98%) of the uniform rate of tax
36	multiplied by the property assessment of the school district;

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1	(D) A distribution under subdivision (b)(1) of this
2	section; and
3	(E) A distribution or recoupment under § 6-20-2305(a)(4).
4	(c)(1) Beginning with the 2014-2015 school fiscal year, the department
5	shall recoup an overpayment of state funding under the authority provided by
6	§ 6-20-2306 for a school district that receives:
7	(A) State foundation funding aid; and
8	(B) An aggregate amount of miscellaneous funds for the
9	calendar year in which the current school fiscal year began that is greater
10	than the aggregate amount of miscellaneous funds it received in the calendar
11	year immediately preceding the beginning of the current school fiscal year.
12	(2) The department shall recoup from the school district an
13	amount equal to the difference between:
14	(A) The amount of miscellaneous funds calculated for the
15	calendar year in which the current school fiscal year began; and
16	(B) The amount of miscellaneous funds calculated for the
17	calendar year immediately preceding the beginning of the current school
18	fiscal year.
19	(3) A recoupment from a school district under this subsection
20	shall not exceed the amount of state foundation funding aid distributed to
21	the school district for the school fiscal year on which the recoupment is
22	based.
23	
24	SECTION 5. Arkansas Code § 6-20-2503(a)(3), concerning bonded debt
25	assistance of school districts, is amended to read as follows:
26	(3)(A) "Miscellaneous funds" means <del>funds calculated as follows:</del>
27	(i) The average of funds collected in the five (5) school
28	years immediately preceding the previous school year that were received by a
29	school district:
30	(a) From federal forest reserves, federal grazing
31	rights, federal mineral rights, federal impact aid, federal flood control,
32	wildlife refuge funds, and severance taxes;
33	(b) In lieu of taxes; and
34	(c) From local sales and use taxes for capital
35	improvements dedicated to education under § 26-74-201 et seq., § 26-74-301 et
36	seq., and § 26-75-301 et seq., and the Local Covernment Bond Act of 1985, §

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1	14-164-301 et seq., and
2	(ii) Multiplied by the ratio of the uniform rate of tax to
3	the school district's total millage rate in effect as of January 1 of the
4	fiscal year prior to the current funding year.
5	(B) If the school district did not receive funds from a source
6	of funds listed in subdivision (a)(3)(A) of this section during the most
7	recent school year used to calculate the five-year average, then previous
8	collections from that source of funds shall not be included in the five-year
9	average.
10	(C) For the purpose of calculating the amount of miscellaneous
11	funds of a school district under this subdivision (a)(3), a school year is
12	the period beginning on July 1 of a calendar year and ending on June 30 of
13	the next calendar year the amount of miscellaneous funds, as defined in § 6-
14	20-2303, calculated under § 6-20-2308(a);
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16	SECTION 6. DO NOT CODIFY. <u>TEMPORARY LANGUAGE.</u> For the 2014-2015
17	school fiscal year only, as used in this act the phrase "calendar year
18	immediately preceding the beginning of the current school fiscal year" means
19	<u>the 2012 calendar year.</u>
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22	APPROVED: 03/11/2013
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