

1 State of Arkansas  
2 88th General Assembly  
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4

As Engrossed: H2/8/11 H2/24/11 H3/2/11

# A Bill

HOUSE BILL 1296

5 By: Representative Carnine  
6 By: Senator J. Key  
7

## For An Act To Be Entitled

9 AN ACT TO CLARIFY THE DEFINITION OF REVENUE RECEIPTS  
10 OF A SCHOOL DISTRICT; AND FOR OTHER PURPOSES.  
11

### Subtitle

14 TO CLARIFY THE DEFINITION OF REVENUE  
15 RECEIPTS OF A SCHOOL DISTRICT.  
16  
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
19

20 SECTION 1. Arkansas Code § 6-20-401(4), concerning the definition of  
21 revenue receipts of a school district, is amended to read as follows:

22 (4) "Revenue receipts of a school district" means those receipts  
23 that do not result in increasing school indebtedness or in depleting school  
24 property. Specifically, revenue receipts of a school district for any fiscal  
25 year shall consist of the following funds:

26 (A) Net cash balance on hand at the beginning of the  
27 school fiscal year, July 1;

28 (B) The remaining net proceeds of local taxes collected in  
29 the calendar year in which the school fiscal year started ~~plus forty percent~~  
30 ~~(40%) of the proceeds of the local taxes that are not pledged to secure~~  
31 ~~bonded indebtedness or forty percent (40%) of the revenue from the uniform~~  
32 ~~rate of tax whichever is greater collected in the succeeding calendar year.~~  
33 ~~This forty percent (40%) shall be determined by applying the following~~  
34 ~~formula: The greater of the assessed valuation multiplied by the tax rate~~  
35 ~~which is not pledged to secure bonded indebtedness multiplied by forty~~  
36 ~~percent (40%) or the assessed valuation multiplied by the uniform rate of tax~~



1 ~~multiplied by forty percent (40%); and~~

2 (C)(i) For the 2011-2012 school year, the proceeds of the  
 3 local taxes collected by June 30 in the succeeding calendar year. If the  
 4 amount collected is less than thirty-six percent (36%) of the proceeds of the  
 5 local taxes that are not pledged to secure bonded indebtedness, the amount  
 6 necessary to equal thirty-six percent (36%) may be accrued.

7 (ii) The percentage under subdivision (4)(C)(i) of  
 8 this section shall be reduced by four percent (4%) each subsequent school  
 9 year until it is zero (0), as follows:

10 (a) Thirty-two percent (32%) in the 2012-2013  
 11 school year;

12 (b) Twenty-eight percent (28%) in the 2013-  
 13 2014 school year;

14 (c) Twenty-four percent (24%) in the 2014-2015  
 15 school year;

16 (d) Twenty percent (20%) in the 2015-2016  
 17 school year;

18 (e) Sixteen percent (16%) in the 2016-2017  
 19 school year;

20 (f) Twelve percent (12%) in the 2017-2018  
 21 school year;

22 (g) Eight percent (8%) in the 2018-2019 school  
 23 year;

24 (h) Four percent (4%) in the 2019-2020 school  
 25 year; and

26 year.

27 (iii) Declining balances attributed solely to a  
 28 school district's compliance with the requirements of subdivision (C)(ii) of  
 29 this section shall not be considered an indicator of fiscal distress; and  
 30 year; and

31 (D) The net proceeds of all other funds accrued or placed  
 32 to the credit of the district during the fiscal year from regular revenue  
 33 sources, including, ~~but not limited to,~~ without limitation state and federal  
 34 funding.

35  
 36 /s/Carnine