

1 State of Arkansas
2 89th General Assembly
3 First Extraordinary Session, 2013
4

A Bill

Call Item 6
SENATE BILL 1

5 By: Senator B. Sample
6 By: Representative Westerman
7

For An Act To Be Entitled

9 AN ACT CONCERNING THE UNIFORM RATE OF TAX; TO AMEND
10 THE PROVISIONS REGARDING THE USE AND DISTRIBUTION OF
11 THE REVENUES GENERATED BY THE UNIFORM RATE OF TAX; TO
12 CREATE A PROPERTY TAX CREDIT FUNDED BY EXCESS REVENUE
13 RECEIVED FROM THE UNIFORM RATE OF TAX; AND FOR OTHER
14 PURPOSES.

Subtitle

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18 TO AMEND THE PROVISIONS REGARDING THE USE
19 AND DISTRIBUTION OF THE REVENUES
20 GENERATED BY THE UNIFORM RATE OF TAX; AND
21 TO CREATE A PROPERTY TAX CREDIT FUNDED BY
22 EXCESS REVENUE RECEIVED FROM THE UNIFORM
23 RATE OF TAX.
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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28 SECTION 1. Arkansas Code § 26-80-101(b)(1), concerning the uniform
29 rate of tax, is amended to read as follows:

30 (b)(1)(A) The uniform rate of tax shall be assessed and collected in
31 the same manner as other school property taxes, but the net revenues from the
32 uniform rate of tax shall be remitted to the Treasurer of State and
33 distributed by the state to the county treasurer of each county for
34 distribution ~~to the school districts in that county~~ as provided by ~~subsection~~
35 ~~(e)~~ subsections (c) and (e) of this section.

36 (B) No portion of the revenues from the uniform rate of



1 tax shall be retained by the state but shall be distributed back to the
2 school district from which the revenues were received pursuant to subsection
3 (c) of this section or to ~~other school districts~~ the relevant county pursuant
4 to subsection ~~(e)~~ (e) of this section.

5 (C) No additional fees or charges shall be assessed at the
6 local level for transmission and redistribution of these funds.

7 (D) The revenues ~~se~~ distributed to the school districts
8 shall be used by the school districts solely for maintenance and operation of
9 schools.

10
11 SECTION 2. Arkansas Code § 26-80-101(c), concerning the uniform rate
12 of tax, is amended to read as follows:

13 (c) ~~For~~ Except as provided in subsection (e) of this section, for each
14 school year, each county treasurer shall remit the net revenues from the
15 uniform rate of tax to each local school district from which the revenues
16 were derived.

17
18 SECTION 3. Arkansas Code § 26-80-101, concerning the uniform rate of
19 tax, is amended to add an additional subsection to read as follows:

20 (e)(1) If the net revenues from the uniform rate of tax remitted to
21 the Treasurer of State are in excess of the foundation funding amount for the
22 applicable school year as established by the General Assembly under § 6-20-
23 2305, the state shall identify the excess net revenues from the uniform rate
24 of tax by school district and distribute the excess net revenues as follows:

25 (A)(i) One percent (1%) of the excess net revenues shall
26 be transferred to the Educational Facilities Partnership Fund Account to be
27 distributed to the school districts from which the revenues were derived for
28 the funding of qualifying educational facilities projects within the school
29 district.

30 (ii) Subdivision (e)(1)(A)(i) of this section
31 expires on June 30, 2015.

32 (B) The excess net revenues remaining after the transfer
33 under subdivision (e)(1)(A)(i) of this section shall be distributed to the
34 appropriate county treasurer.

35 (2) If growth in student population in a school district is more
36 than three percent (3%) over the previous year or if the growth in excess net

1 revenues from the uniform rate of tax does not exceed three percent (3%) of
2 the excess net revenues from the uniform rate of tax for the previous year,
3 the county treasurer shall remit the full amount of the excess net revenues
4 from the uniform rate of tax to the school district from which the revenues
5 were derived.

6 (3) If the growth in the excess net revenues from the uniform
7 rate of tax is greater than three percent (3%) of the excess net revenues
8 from previous year and the growth in student population in a school district
9 is three percent (3%) or less over the previous year, the county treasurer
10 shall:

11 (A) Remit the value equal to three percent (3%) of the
12 excess net revenues from previous year to the school district from which the
13 revenues were derived; and

14 (B)(i) Use the remaining excess net revenues from the
15 uniform rate of tax solely to provide an ad valorem property tax credit for
16 each property owner in the school district from which the excess net revenues
17 from the uniform rate of tax were received.

18 (ii) The ad valorem property tax credit established
19 under subdivision (e)(2)(A) of this section shall be provided proportionally
20 to each property owner in the school district based on the amount of ad
21 valorem property tax assessed to the property owner.

22 (4) The excess net revenues from the uniform rate of tax shall
23 not be:

24 (A) Retained by the state;

25 (B) Remitted to a school district other than the school
26 district from which the revenues were derived; or

27 (C) Refunded to a property owner outside the school
28 district from which the revenues were derived.

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