

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.
Act 1397 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009
4

A Bill

HOUSE BILL 2065

5 By: Representative Abernathy
6
7

For An Act To Be Entitled

9 AN ACT TO ENHANCE THE QUALITY OF AD VALOREM TAX
10 DATA USED FOR PUBLIC SCHOOL FUNDING; TO AMEND THE
11 METHODS UTILIZED BY COUNTIES TO REPORT AND REMIT
12 PROCEEDS FROM THE UNIFORM RATE OF TAX; AND FOR
13 OTHER PURPOSES.
14

Subtitle

15 TO ENHANCE THE QUALITY OF AD VALOREM TAX
16 DATA USED FOR PUBLIC SCHOOL FUNDING.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 6-20-2303(10), concerning the definition of
23 "millage rate" for purposes of public school funding, is amended to read as
24 follows:

25 (10) "Millage rate" means the millage rate listed in the most recent
26 tax ordinance approved by the county quorum court under the authority of §
27 14-14-904 for the tax year used in a calculation made under this subchapter;
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29 SECTION 2. Arkansas Code § 6-20-2303(13), concerning the definition of
30 "net revenues" for purposes of public school funding, is amended to read as
31 follows:

32 (13) "Net revenues" means actual revenues ~~received~~ generated
33 from ad valorem taxes ~~collected on behalf of~~ and distributed to a school
34 district multiplied by the ratio derived from dividing the uniform rate of
35 tax ~~over~~ by the total millage rate of the school district;



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 2 SECTION 3. Arkansas Code § 6-20-2303(17), concerning the definition of
 3 "revenues" for purposes of public school funding, is amended to read as
 4 follows:

5 (17)(A) "Revenues" means the proceeds generated from ad valorem
 6 taxes and distributed to a school district by a county treasurer from January
 7 1 through December 31 of the calendar year immediately preceding the
 8 beginning of the current school year, including:

9 ~~(i) The following items collected or received on~~
 10 ~~behalf of a school district:~~

11 ~~(a)(i) The amount of the final distribution of~~
 12 ~~Current year ad valorem taxes to a school district as shown on the final tax~~
 13 ~~settlement of the county under § 26-39-402 for the calendar year immediately~~
 14 ~~preceding the beginning of the current school year; plus~~

15 ~~(b)(ii)(a) Delinquent ad valorem taxes distributed~~
 16 ~~to a school district in the calendar year immediately preceding the beginning~~
 17 ~~of the current school year.~~

18 ~~(b) Delinquent ad valorem taxes include~~
 19 ~~the penalties and interest that are distributable to a school district under~~
 20 ~~existing law; plus~~

21 ~~(e)(iii) The actual amount of homestead Homestead~~
 22 ~~tax credit distributed to a school district in the calendar year immediately~~
 23 ~~preceding the beginning of the current school year; plus~~

24 ~~(d)(iv) Excess commissions distributed to a school~~
 25 ~~district in the calendar year immediately preceding the beginning of the~~
 26 ~~current school year; less~~

27 ~~(v) Interest earned on any tax funds held in~~
 28 ~~trust and distributed to a school district in the calendar year immediately~~
 29 ~~preceding the beginning of the current school year;~~

30 ~~(vi) Ad valorem tax proceeds from land~~
 31 ~~redemptions distributed to a school district in the calendar year immediately~~
 32 ~~preceding the beginning of the current school year; and~~

33 ~~(ii)(vii) A subtraction of all All costs and~~
 34 ~~net commissions authorized by law relating to the collection of ad valorem~~
 35 ~~taxes authorized by law that are collected or withheld for later distribution~~
 36 ~~by the county offices that the county deducted from distributions to a school~~

1 district in the calendar year immediately preceding the beginning of the
2 current school year.

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4 SECTION 4. Arkansas Code § 6-20-2305(a)(4)(A)(i), concerning
5 foundation funding for public schools, is amended to read as follows:

6 (4)(A) By the end of each school fiscal year, for a school
7 district whose net revenues are less than the sum of ninety-eight percent
8 (98%) of the uniform rate of tax multiplied by the property assessment of the
9 school district, the Department of Education shall distribute to the school
10 district the difference between:

11 (i) The net revenues ~~of~~ distributed to the school district
12 as reported under § 26-26-2004 for the calendar year immediately preceding
13 the current school year; and

14 (ii) The sum of ninety-eight percent (98%) of the uniform
15 rate of tax multiplied by the property assessment of the school district.

16
17 SECTION 5. TEMPORARY. DO NOT CODIFY.

18 (a) As used in this section:

19 (1) "Millage rate" means the millage rate listed in the most
20 recent tax ordinance approved by the county quorum court under the authority
21 of § 14-14-904 for the tax year used in a calculation made under this
22 subchapter;

23 (2) "Net revenues" means the revenues generated from ad valorem
24 taxes distributed to a school district multiplied by the ratio derived from
25 dividing the uniform rate of tax by the total millage rate of the school
26 district; and

27 (3) "Revenues" means the proceeds generated from ad valorem
28 taxes and distributed to a school district by a county treasurer, including:

29 (A) Current calendar year collections of ad valorem taxes;

30 (B)(i) Delinquent ad valorem taxes paid to the county in
31 the current calendar year.

32 (ii) Delinquent ad valorem taxes include the
33 penalties and interest that are distributable to a school district under
34 existing law;

35 (C) The actual amount of homestead tax credit paid to the
36 county in the current calendar year;

1 (D) Excess commissions distributed to a school district in
2 the current calendar year;

3 (E) Interest earned on any tax funds held in trust and
4 distributed to a school district in the current calendar year;

5 (F) Ad valorem tax proceeds from land redemptions received
6 by the county in the current calendar year; and

7 (G) A subtraction of all costs and commissions authorized
8 by law relating to the collection of ad valorem taxes that the county deducts
9 from distributions to a school district in the current calendar year.

10 (b) Within thirty (30) days of the effective date of this act for
11 calendar years 2007 and 2008, and by January 31, 2010 for calendar year 2009,
12 a county treasurer shall provide a summary report of all proceeds generated
13 from ad valorem taxes and distributed by the county to a school district for
14 the period beginning January 1 and ending on December 31 of each year to the:

15 (1) Treasurer of State;

16 (2) Department of Education;

17 (3) Assessment Coordination Department; and

18 (4) Superintendent of the school district to which the proceeds
19 from the uniform rate of tax are distributed by the county.

20 (c) Each summary report shall:

21 (1) Identify the local education agency number of the school
22 district to which the net revenues are distributed under § 26-80-101.

23 (d) The Treasurer of State, with the assistance of the Department of
24 Education, the Assessment Coordination Department, and the Arkansas County
25 Treasurers Association, shall develop the form and procedures needed for
26 uniformity of reporting under this subchapter.

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28 SECTION 6. Arkansas Code § 26-80-101 is amended to add an additional
29 subsection to read as follows:

30 (d) As used in this section:

31 (1) "Millage rate" means the millage rate listed in the most
32 recent tax ordinance approved by the county quorum court under the authority
33 of § 14-14-904 for the tax year used in a calculation under this subchapter;

34 (2) "Net revenues" means the revenues generated from ad valorem
35 taxes collected on behalf of a school district multiplied by the ratio
36 derived from dividing the uniform rate of tax by the total millage rate of

1 the school district; and

2 (3) "Revenues" means the proceeds generated from ad valorem
3 taxes, including:

4 (A) Current calendar year collections of ad valorem taxes;

5 (B)(i) Delinquent ad valorem taxes paid to the county in
6 the current calendar year.

7 (ii) Delinquent ad valorem taxes include the
8 penalties and interest that are distributable to a school district under
9 existing law;

10 (C) The actual amount of homestead tax credit paid to the
11 county in the current calendar year;

12 (D) Excess commissions that will be distributed to a
13 school district in the current calendar year;

14 (E) Interest earned in the current calendar year on any
15 tax funds held in trust and distributed to a school district in the current
16 calendar year;

17 (F) Ad valorem tax proceeds from land redemptions received
18 by the county in the current calendar year; and

19 (G) A subtraction of all costs and commissions authorized
20 by law relating to the collection of ad valorem taxes that the county deducts
21 from distributions to a school district in the current calendar year.

22
23 SECTION 10. EMERGENCY CLAUSE. It is found and determined by the
24 General Assembly of the State of Arkansas that it is the constitutional
25 obligation of the state to ensure that the state's public school children
26 receive an equal opportunity for an adequate education; that the timely and
27 accurate collection and reporting by counties of the proceeds generated from
28 the uniform rate of tax is necessary to ensure educational adequacy; that the
29 Treasurer of State, the Department of Education, the Assessment Coordination
30 Department, and the counties need to implement the reporting process required
31 under this act so that timely and accurate calculations for public school
32 funding will be made before the beginning of the 2009-2010 school year.
33 Therefore, an emergency is declared to exist, and this act being immediately
34 necessary for the preservation of the public peace, health, and safety shall
35 become effective on:

36 (1) The date of its approval by the Governor;

1 (2) If the bill is neither approved nor vetoed by the Governor,
2 the expiration of the period of time during which the Governor may veto the
3 bill; or

4 (3) If the bill is vetoed by the Governor and the veto is
5 overridden, the date the last house overrides the veto.

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7 **APPROVED: 4/9/2009**
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