

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

HOUSE BILL 1829

5 By: Representatives Slinkard, English, D. Hutchinson, J. Roebuck
6 By: Senator J. Key
7

For An Act To Be Entitled

9 AN ACT TO CLARIFY COLLECTIONS AND DISTRIBUTIONS
10 RELATED TO THE UNIFORM RATE OF TAX; AND FOR OTHER
11 PURPOSES.
12
13

Subtitle

14 TO CLARIFY COLLECTIONS AND DISTRIBUTIONS
15 RELATED TO THE UNIFORM RATE OF TAX.
16
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code § 6-20-2305(a)(4), concerning the collection
22 rate of the uniform rate of tax, is amended to read as follows:

23 (4)(A) By the end of each school fiscal year, for a school
24 district whose net revenues are less than the sum of ninety-eight percent
25 (98%) of the uniform rate of tax multiplied by the property assessment of the
26 school district, the Department of Education shall distribute to the school
27 district the difference between:

28 (i) The net revenues distributed to the school
29 district as reported under ~~§ 26-26-2004~~ § 26-80-101(b)(4)(A)(ii) for the
30 calendar year immediately preceding the current school year; and

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

34 (B) For a school district whose net revenues are more than
35 the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied
36 by the property assessment of the school district, the Department of



1 Education, under the authority of § 6-20-2306, shall recoup from the school
2 district an amount equal to the difference between:

- 3 (i) The net revenues of the school district; and
4 (ii) The sum of ninety-eight percent (98%) of the
5 uniform rate of tax multiplied by the property assessment of the school
6 district.

7 (C)(i) Data to verify the timely receipt of revenues
8 applicable to the required ninety-eight percent (98%) of the uniform rate of
9 tax multiplied by the property assessment of the school district shall be
10 ~~collected~~ received annually by the Department of Education ~~in cooperation~~
11 ~~with the Assessment Coordination Department~~ under § 26-80-101(b)(4)(A)(ii).

12 (ii)(a) Data may be appropriately adjusted by the
13 Department of Education if it is determined that irregular distributions by a
14 county treasurer of excess commissions cause a school district's property tax
15 collection rate from the uniform rate of tax to exceed ninety-eight percent
16 (98%).

17 (b) The Department of Education may adjust the
18 uniform rate of tax from an irregular distribution to an amount not in excess
19 of ninety-eight percent (98%) and apply the excess distribution amount the
20 following school year.

21 (iii) Evidence of overlapping revenue reporting or
22 irregular distributions shall be provided in the form required by the
23 Department of Education.

24
25 SECTION 2. DO NOT CODIFY. Data received by the Department of
26 Education under § 6-20-2305(a)(4)(C) may be appropriately adjusted by the
27 department if it is determined that distributions reported on the county
28 treasurer's annual summary report for the 2011 calendar year submitted by
29 January 31, 2012, were also accounted for on the 2010 county tax settlement
30 report template submitted by February 15, 2011, for collections made during
31 the 2010 calendar year. Evidence of overlapping revenue reporting or
32 irregular distributions shall be provided in the form required by the
33 Department of Education.

34
35 SECTION 3. Arkansas Code § 26-80-101(b)(4)(A), concerning the
36 reporting of collections from the uniform rate of tax, is amended to add

1 additional subdivisions to read as follows:

2 (4)(A)(i) The Treasurer of State shall process the necessary
3 documentation to certify the amount to be receipted and redistributed to each
4 county treasurer no more than six (6) times each month, with no interim
5 distributions.

6 (ii) By January 31, 2012, and by January 31 of each
7 year thereafter, each county treasurer shall provide an annual summary report
8 of all proceeds generated from ad valorem tax and distributed by the county
9 to a school district for the period beginning January 1 and ending on
10 December 31 of the preceding calendar year to the:

11 (a) Treasurer of State;

12 (b) Department of Education; and

13 (c) Superintendent of the school district to
14 which the proceeds from the uniform rate of tax are distributed by the
15 county.

16 (iii) Failure to report the annual summary required
17 under subdivision (b)(4)(A)(ii) of this section by the county treasurer by
18 the January 31 deadline shall result in the withholding of all reappraisal
19 funding provided under § 26-26-1907 until the county treasurer complies with
20 subdivision (b)(4)(A)(ii) of this section.

21 (iv) Funds withheld under subdivision (b)(4)(A)(iii)
22 of this section are forfeited as follows:

23 (a) Twenty percent (20%) of withheld
24 reappraisal funds are forfeited every two (2) months of noncompliance; and

25 (b) After ten (10) months of noncompliance,
26 the total amount of withheld reappraisal funds are forfeited.

27 (v) A county is not relieved of the requirement to
28 reappraise property and funding for reappraisal shall be by local taxing unit
29 sources until the county complies with this subdivision (b)(4)(A).

30 (vi) The Department of Education shall notify the
31 Assessment Coordination Department if a county treasurer violates subdivision
32 (b)(4)(A)(ii) of this section and withholding of reappraisal funding under
33 this subdivision (b)(4)(A) is authorized.

34
35 SECTION 4. Arkansas Code § 25-28-109 is repealed.

36 ~~25-28-109. Additional authority.~~

1 ~~The Assessment Coordination Department shall promulgate the necessary~~
 2 ~~rules to fully implement the provisions of uniform reporting requirements as~~
 3 ~~required under § 26-26-2001 et seq., with input from all of the following:~~

- 4 ~~(1) The State Board of Education;~~
 5 ~~(2) The Department of Education;~~
 6 ~~(3) The Division of Legislative Audit;~~
 7 ~~(4) The Commissioner of State Lands;~~
 8 ~~(5) The appropriate county officials; and~~
 9 ~~(6) The appropriate school district officials.~~

10
 11 SECTION 5. Arkansas Code Title 26, Chapter 26, Subchapter 20 is
 12 repealed.

13 ~~Subchapter 20—Coordination of Uniform Reporting of County Property Tax~~
 14 ~~Information~~

15
 16 ~~26-26-2001.—Uniform annual reporting requirement.~~

17 ~~A county official who is the preparer of the tax books shall annually~~
 18 ~~report to the Assessment Coordination Department and the State Board of~~
 19 ~~Education his or her county's property tax assessment, settlement, and~~
 20 ~~collection information as provided under this subchapter.~~

21
 22 ~~26-26-2002.—Adoption and implementation of rules for reporting.~~

23 ~~(a) By June 15, 2006, the Assessment Coordination Department shall~~
 24 ~~adopt and implement by rules a statewide set of instructions for reporting~~
 25 ~~county property tax assessment, settlement, and collection information.~~

26 ~~(b) In developing the statewide set of instructions, the Assessment~~
 27 ~~Coordination Department shall:~~

28 ~~(1) Collaborate with the Division of Legislative Audit, the~~
 29 ~~State Board of Education, the Department of Education, the Commissioner of~~
 30 ~~State Lands, and the appropriate county officials;~~

31 ~~(2) Consider the comments and suggestions from school districts~~
 32 ~~and other interested parties; and~~

33 ~~(3) Comply with the Arkansas Administrative Procedure Act, § 25-~~
 34 ~~15-201 et seq., which may include the adoption of emergency rules as~~
 35 ~~necessary to comply with the June 15, 2006, deadline under subsection (a) of~~
 36 ~~this section.~~

1 ~~(c)(1) The statewide set of instructions shall address issues relating~~
 2 ~~to the property tax assessment, settlement, and collection processes to~~
 3 ~~assure uniformity in reporting.~~

4 ~~(2) In addition to any other instructions relevant to the~~
 5 ~~processes, the statewide set of instructions shall include how to report~~
 6 ~~items related to the county collector's original charge or assessed value~~
 7 ~~used to determine state foundation funding aid under the Public School~~
 8 ~~Funding Act of 2003, § 6-20-2301 et seq.~~

9
 10 ~~26-26-2003. Preliminary report—Annual report.~~

11 ~~(a)(1) By November 15, 2006, the Assessment Coordination Department~~
 12 ~~shall present its preliminary report to the House Interim Committee on~~
 13 ~~Revenue and Taxation, the Senate Interim Committee on Revenue and Taxation,~~
 14 ~~the House Interim Committee on Education, and the Senate Interim Committee on~~
 15 ~~Education regarding the implementation of this subchapter.~~

16 ~~(2) The preliminary report shall include:~~

17 ~~(A) The proposed or promulgated rules;~~

18 ~~(B) The status of implementing the rules; and~~

19 ~~(C) If the rules have been implemented, a list of the~~
 20 ~~counties that have complied with the rules.~~

21 ~~(b) By December 15 of each following year, the department shall~~
 22 ~~present an update to the preliminary report that shall include:~~

23 ~~(1) Any changes to the rules;~~

24 ~~(2) The status of implementing the rules;~~

25 ~~(3) A list of the counties that have complied with the rules;~~

26 ~~and~~

27 ~~(4) Any additional information requested by a chair of a~~
 28 ~~committee to be included in the update.~~

29
 30
 31 **APPROVED: 03/23/2011**