

State of Arkansas

76th General Assembly

Regular Session, 1987

HOUSE BILL 1007

By: Representatives Dawson and Glover

"AN ACT TO AMEND PARAGRAPH (3) OF SUBSECTION (B) OF SECTION 7 OF ACT 750 OF 1973, AS AMENDED [ARK. STAT. 13-523(B)(3)], TO PROVIDE THAT NO CITY WILL SUFFER A REDUCTION IN GENERAL REVENUES IF SUBSEQUENT TO THE COURT-ORDERED REAPPRAISAL OF PROPERTY THE CITY LEVIED A GENERAL TAX MILLAGE RATE WHICH PRODUCES AN AMOUNT OF REVENUES AT LEAST EQUAL TO THE AMOUNT OF REVENUES WHICH WOULD HAVE RESULTED FROM A LEVY OF FIVE MILLS ON ASSESSED PROPERTY IMMEDIATELY PRECEDING THE REAPPRAISAL; AND FOR OTHER PURPOSES."

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

SECTION 1. Paragraph (3) of Subsection (B) of Section 7 of Act 750 of 1973, as amended, the same being Arkansas Statute 13-523(B)(3), is hereby amended to read as follows:

"(3) If any city or incorporated town shall fail to levy the full five mill general tax on property for collection during the calendar year next preceding the date of distribution of any such 'general revenues' and 'special revenues', then the amount of 'general revenues' otherwise distributed to any such city or incorporated town as aforesaid shall be reduced in the same proportion that its general tax millage rate levied for such preceding calendar year represents a reduction from said full five-mill rate. Provided, that no such reduction in the distribution of 'general revenues' shall occur in instances where the city or incorporated town has, subsequent to reappraisal as required by the Arkansas Supreme Court pursuant to Public Service Commission v. Pulaski County Equalization Board, 266 Ark. 64, levied a general tax millage rate which will produce an amount of revenues at least equal to the amount of revenues which would have resulted from a levy of five mills on the assessed value of property immediately preceding the reappraisal."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 3. Emergency. It is hereby found and determined by the General Assembly that Arkansas Statute 13-523(B)(3) provides for a proportionate reduction in State aid to cities and towns which fail to levy the full constitutionally authorized five mill general ad valorem tax; that this penalty is to be applied beginning with the fifth year subsequent to the countywide reappraisal of property in the counties in which the respective cities and towns are located; that unless revised prior to the application of such penalties, this law will result in serious hardship to several cities and towns in the State or to the taxpayers in such cities and towns and that this Act is designed to amend such law and should be given effect immediately. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

