

State of Arkansas

76th General Assembly

Regular Session, 1987 AS ENGROSSED 2/12/87

HOUSE BILL 1251

By: Representatives Barclay, Stewart, S. Miller, Stephens,
Ellis, Hinshaw, Dugger, Mills, Matthews, McJunkin, Sanson,
Watts, Hutchinson, and Fairchild

"AN ACT TO AMEND SUBSECTION (b) OF SECTION 6 OF ACT 34 OF THE FIRST EXTRAORDINARY SESSION OF 1983, AS AMENDED [ARK. STATS. 80-850.15(b)] RELATING TO AID ALLOCATIONS TO SCHOOL DISTRICTS WHICH WERE BASED ON REAL PROPERTY ASSESSMENT PROJECTIONS RATHER THAN ACTUAL REAL PROPERTY ASSESSMENTS IN THE DISTRICT; AND FOR OTHER PURPOSES."

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

SECTION 1. Subsection (b) of Section 6 of Act 34 of the First Extraordinary Session of 1983, as amended, the same being Arkansas Statutes 80-850.15(b), is hereby amended to read as follows:

"(b) General Education. Funds shall be set aside from the total funds available for allocation under the provisions of this Act for adjustments in aid allocation to any district whose actual real property assessment, when certified by the county clerk and/or the county school supervisor has decreased by more than five percent (5%) from the projected amount used in determining the aid for the district. The Department of Education shall make adjustments to the five percent (5%) level in the following manner:

(1) For school districts that complete the reappraisal and roll back the millage in 1984 (4th group of counties), adjustments shall be made in the 1984-85 school year for errors in the real property projections that were used to compute the MFPA In 1983-84 and 1984-85.

(2) For school districts that complete the reappraisal and roll back the millage in 1985 (5th group of counties), adjustments shall be made in the 1985-86 school year for errors in the real property projections that were used to compute the MFPA in 1983-84, 1984-85 and 1985-86. However, in instances where school districts have been overpaid in 1983-84, 1984-85, and/or 1985-86, based on actual real property

assessments as determined by reappraisal, repayments shall be made beginning in 1988-89 as follows: the annual Foundation Program Aid allocation to the respective school districts shall be reduced by an amount not to exceed one-half (1/2) of the increase in Foundation Program Aid over the previous year; and the reduction in Foundation Program Aid shall not be greater in any one year than one-fifth (1/5) of the amount of the overpayment to the respective school districts. The Department of Education shall keep such records as are necessary to determine when the repayments are completed."

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 allocations of State aid to some school districts made during the time when the real property in such districts was being reappraised under the court ordered statewide reappraisal program were computed on the basis of projected rather than actual real property assessments; that under the present law such allocations are required to be adjusted on the basis of actual assessment figures and some districts are required to repay a portion of the aid received; that such repayment will result in severe hardship to school districts and that this Act is designed and intended to eliminate the requirement that the allocation to such districts be adjusted and that they be required to pay back a portion of the allocation; and that it is urgent that this Act be given effect as soon as possible to avoid such hardship. 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.

/s/Dick Barclay, et al

