

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1758

By: Representative Mills

For An Act To Be Entitled

"AN ACT TO AMEND §26-26-405 (a) OF THE ARKANSAS CODE ANNOTATED (1987); TO AMEND §26-26-405 (d) OF THE ARKANSAS CODE ANNOTATED (1987); TO PROVIDE PROCEDURES BY WHICH PERSONAL PROPERTY INTERIM MILLAGE ADJUSTMENTS SHALL BE MADE; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

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

SECTION 1. §26-26-405 (a) of the Arkansas Code Annotated (1987) is hereby amended to read as follows:

"(a) Revenues derived from personal property by each taxing unit are frozen at the base-year levels. An annual calculation shall be made of the millage rate applicable to personal property so that the ratio of the new personal property millage rate to the personal property millage rate in effect immediately prior to the rollback shall equal the ratio of the personal property assessment for the year before the base year to the personal property assessment for the current year; provided, however, that the new personal property millage rate shall not exceed the personal property millage rate in effect immediately prior to the rollback. This procedure shall be followed each year until the personal property millage rate is equal to or lesser than the millage rate applied to real estate, at which time the interim adjustment is complete, and both personal property and real estate shall thereafter be taxed at the same millage rate."

SECTION 2. §26-26-405 (d) of the Arkansas Code Annotated (1987) is hereby amended to read as follows:

"(d) The form set forth in this subsection (d) shall be used by the county clerk in determining the personal property interim millage rate adjustment. The completed form shall be filed and recorded in the office of

the county clerk. The clerk shall forward a copy of the completed form to the Assessment Coordination Division of the Arkansas Public Service Commission by December 1 of each year in which an interim millage is used, and of the year of final adjustment.

PERSONAL PROPERTY INTERIM MILLAGE ADJUSTMENT

COUNTY: \_\_\_\_\_  
 TAXING UNIT: \_\_\_\_\_  
 DATE: \_\_\_\_\_

I. Data Needed For Calculation

1. Millage Rate Before Rollback \_\_\_\_\_ mills  
 Itemized by Tax Source:
- Maintenance & Operations: \_\_\_\_\_ mills  
 Bonds or Debt Service: \_\_\_\_\_ mills  
 \_\_\_\_\_ mills  
 Other \_\_\_\_\_ mills
2. Current Assessment \$ \_\_\_\_\_  
 3. Assessment In Year Before The Base Year \$ \_\_\_\_\_

II. Calculation of Base Year Revenues

		Assessment In		
Pre-Rollback	x	Year Before	=	Base Year
Millage Rate		The Base Year		Revenues
_____ mills	x	\$ _____	=	\$ _____

III. Calculation of Growth Factor

Assessment In				
Year Before	Divided by	Current	=	Growth Factor*
The Base Year		Assessment		
\$ _____	Divided by	\$ _____	=	_____*

\* Note: If Growth Factor is greater than one (1), use one (1) in the calculations in item IV, below.

IV. Millage Adjustment

				Interim
Growth Factor	x	Pre-Rollback	=	Millage / Rounded

		Millage Rate		Rate	/	to
_____	x	M & O	_____mills	=	_____	/_____mills
_____	x	Bonds	_____mills	=	_____	/_____mills
_____	x		_____mills	=	_____	/_____mills
_____	x	Other	_____mills	=	_____	/_____mills
TOTAL INTERIM MILLAGE RATE:			_____	mills		

V. VERIFICATION

Total Interim		Current		Current
Millage Rate	x	Assessment	=	Revenue**
_____mills	x	\$_____	=	\$_____

\*\* Note: This figure must be approximately equal to the 'Base Year Revenues' calculated in item II, above."

SECTION 3. Section 26-26-405 of the Arkansas Code Annotated (1987) is hereby amended by adding a new subsection (e) to read as follows:

"(e) For purposes of making the calculations prescribed in this section, the following adjustments shall be made:

(1) The personal property millage rate in effect immediately prior to the rollback shall be adjusted downward by subtracting therefrom (i) debt service millage that has expired and (ii) voted millage rate decreases.

(2) The assessment in the year before the base year shall be adjusted to reflect increases or decreases in the area of a taxing unit resulting from consolidation, annexation, or other boundary changes."

SECTION 4. As to interim personal property millage rates which were required to be certified by the county clerk to the quorum court by the third Monday in November, 1988, pursuant to Subsection 26-26-405 (c) of the Arkansas Code Annotated (1987), the following procedure shall apply. Upon the written request of the governing body of any taxing unit delivered to the county clerk on or before May 1, 1989, the county clerk shall perform the adjustment required by this act and shall certify the recomputed 1989 interim personal property millage rate for the requesting taxing unit or units to the county quorum court by the third Monday in May, 1989, for certification of all recomputed millage rates. The county clerk shall file and record the completed form required by Section 2 of this act and shall forward a copy of the completed form to the Assessment Coordination Division of the Arkansas

Public Service Commission by June 1, 1989. If corrected tax bills are mailed as a result of the recomputation provided for in this section, the taxing unit or units requesting the recomputation shall pay the cost thereof.

SECTION 5. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 6. The provisions of this act are hereby declared to be severable. If any provision hereof shall be held to be invalid or to be inapplicable to any person or circumstance, such holding shall not affect the validity or applicability of the remainder hereof.

SECTION 7. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 8. EMERGENCY. It is hereby found and determined by the General Assembly that the original intent of the General Assembly, as expressed in Amendment No. 59 to the Arkansas Constitution and Sections 26-26-401 and 405 of the Arkansas Code Annotated (1987), to freeze tax revenues derived from personal property at base year levels, may not be fully effected in some circumstances and that some taxing units in the state of Arkansas are not realizing tax revenues from personal property equal to the tax revenues derived in the base year, as required by Amendment No. 59, thus depriving taxing units from urgently needed funds necessary to provide education and to properly perform other essential governmental functions and consequently endangering the public peace, health and safety. 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.