

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

A Bill

HOUSE BILL 2283

4
5 By: Representative Thicksten
6
7

For An Act To Be Entitled

9 "AN ACT TO IMPLEMENT AMENDMENT 74 TO THE ARKANSAS
10 CONSTITUTION; TO AMEND CERTAIN SECTIONS OF THE ARKANSAS
11 CODE ANNOTATED SO AS TO BE IN COMPLIANCE WITH AMENDMENT
12 74; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."
13

Subtitle

14
15 "AN ACT TO IMPLEMENT AMENDMENT 74 TO THE
16 ARKANSAS CONSTITUTION."
17

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

20 SECTION 1. Title.

21 This act shall be known and may be cited as "The Amendment No. 74
22 Enabling Act of 1997."
23

24 SECTION 2. Legislative Findings and Intent.

25 (a) The General Assembly finds that the citizens of the state of
26 Arkansas have adopted Amendment No. 74 to the Arkansas Constitution to provide
27 for a base of equal local effort for Arkansas public schools by establishment
28 of a uniform rate of ad valorem property tax of twenty-five (25) mills to be
29 levied on the assessed value of all taxable real, personal, and utility
30 property in the state to be used solely for the maintenance and operation of
31 the schools. This act is intended to effectuate the changes in the system of
32 school funding that flow from the adoption of Amendment No. 74.

33 (b) The General Assembly further finds that Amendment No. 74 has placed
34 on it a duty to provide for the support of common schools by general law. In
35 order to provide quality education, it is the goal of the State to provide a
36 fair system for the distribution of funds. The General Assembly recognizes

1 that, in providing such a system, some funding variations may be necessary. It
 2 further recognizes that funding variations or restrictions thereon may be
 3 necessary in order to comply with, or due to, other provisions of the Arkansas
 4 Constitution, the United States Constitution, federal laws, court orders, or
 5 other provisions enacted by the General Assembly to address specific problems
 6 as may arise from time to time.

7 (c) It is the intent of the General Assembly to limit the amount of time
 8 in which the revenues from the uniform rate of tax are in the control of the
 9 State and, to this end, the General Assembly will provide, as much as
 10 possible, that the funds will remain in local depositories and under the
 11 control of local officials.

12 (d) It is further the intent of the General Assembly that the system of
 13 collection and distribution of property taxes be disrupted as little as
 14 possible by this act, recognizing that the provisions of Amendment No. 74 will
 15 affect existing property tax structure and will, in some cases, affect the
 16 application of Amendment No. 59 to the Arkansas Constitution and may also
 17 affect the application of other constitutional provisions.

18

19 SECTION 3. Definitions.

20 As used in this act:

21 (1) "Additional mills for maintenance and operation" means millage
 22 levied by the electors of a local school district for maintenance and
 23 operation in excess of those allocated to the uniform rate of tax.

24 (2) "Available for maintenance and operation millages" means millage
 25 levied for maintenance and operation, millage levied as dedicated maintenance
 26 and operation millage, excess debt service millage, and the millage derived
 27 from the ratio of debt service funding supplements divided by the total
 28 assessment, which may be included in the calculation for the uniform rate of
 29 tax as specified in § 26-80-201(5), if needed.

30 (3) "Average daily membership (ADM)" means the total number of days
 31 attended plus the total number of days absent by students in grades
 32 kindergarten through twelve (K-12) during the first three (3) quarters of
 33 each school year divided by the number of school days actually taught in the
 34 district during that period of time rounded up to the nearest hundredth.

35 (4) "Base local revenue per student (BLRPS)" means: As applied under
 36 Act 917 of 1995, as such may be amended from time to time, if Category 1 is

1 fully funded, the local revenue per student in the local school district with
 2 the highest amount of local revenue per student. If Category 1 is not fully
 3 funded, the revenue per student to which the state equalizes calculated by
 4 taking the sum of:

5 (A) The total available state aid for state equalization funding
 6 per student;

7 (B) Ninety-eight percent (98%) of the uniform rate of tax times
 8 the total state assessed valuation; and

9 (C) Seventy-five percent (75%) of the miscellaneous funds
 10 collected in the previous year; and
 11 by dividing the sum by the total state ADM for the previous year.

12 (5) "Debt service funding supplements (DSFS)" means the state financial
 13 aid provided to qualifying local school districts for the purpose of reducing
 14 existing debt service burdens and increasing the amount of local revenue
 15 available for maintenance and operation expenditures and calculated as
 16 follows: for each mill of eligible debt service millage required, the local
 17 school shall be provided fifteen dollars (\$15.00) per ADM times the state
 18 wealth index. Beginning with the 1997-98 school year, the funding per ADM
 19 shall be increased by one dollar (\$1.00) each year.

20 (6) "Debt service millage" means the total number of mills voted by the
 21 electors of a school district to be pledged as security for the retirement of
 22 bonded indebtedness.

23 (7) "Debt service millage required (DSMR)" means the calculated millage
 24 rate equal to the amount of millage pledged to mandatory callable bonds plus
 25 the result of the scheduled calendar year bonded debt payment divided by the
 26 total assessed value of real, personal, and utility property in the local
 27 school district.

28 (8) "Eligible debt service millage required" means, in the computation
 29 of the debt service funding supplement, the debt service millage required for
 30 bonds issued on or before May 30 or bonds issued to refund bonds issued on or
 31 before May 30, provided that such millage was approved in a school election
 32 held on or before February 22, 1995.

33 (9) "Excess debt service millage" means the difference between the debt
 34 service millage levied and the debt service millage required. This amount
 35 shall be presumed to be available for maintenance and operation, but may be
 36 used for other school purposes, provided that the district is in compliance

1 with the uniform rate of tax.

2 (10) "Local revenue per student (LRPS)" means: As applied under Act 917
3 of 1995, as such may be amended from time to time, in each year ninety-eight
4 percent (98%) of the amount of revenue available, whether or not collected, in
5 a local school district, solely from the levy of the uniform rate of tax plus
6 seventy-five percent (75%) of the miscellaneous funds collected in the
7 previous year divided by the ADM of such local school district for the
8 previous year.

9 (11) "Mandatory callable bonds (MCB)" means a bond issue in which all
10 net proceeds from debt service millage used to secure the issuance of that
11 bond must apply to payment of the issue and cannot be used for any other
12 purpose.

13 (12) "Miscellaneous funds" means those funds received by a local school
14 district from federal forest reserves, federal grazing rights, federal mineral
15 rights, federal impact aid, federal flood control, wildlife refuge funds,
16 severance taxes, and funds received by the district in lieu of taxes.

17 (13) "Net revenues" means actual revenues minus any commission fees
18 authorized by law to be collected or withheld for later distribution by the
19 county offices. No additional fees shall be charged for transmittal or
20 redistribution of funds by any county or state office in carrying out the
21 procedures established to comply with the requirements of Amendment No. 74.

22 (14) "Previous year" means the school year immediately preceding the
23 school year in which funds are allocated.

24 (15) "State equalization funding per student (SEFPS)" means: As applied
25 under Act 917 of 1995, as such may be amended from time to time, the amount of
26 state financial aid per ADM for the previous year provided to each local
27 school district calculated by subtracting the local revenue per student from
28 the base local revenue per student.

29 (16) "State wealth index" means the result of one (1) minus the ratio of
30 local revenue per student divided by state equalization funding per student.

31 (17) "Uniform rate of tax" means a uniform rate of ad valorem property
32 tax of twenty-five (25) mills to be levied on the assessed value of all
33 taxable real, personal, and utility property in the state to be used solely
34 for maintenance and operation of the schools. In calculating the uniform rate
35 of tax imposed by Article 14, § 3 of the Arkansas Constitution, as amended by
36 Amendment Nos. 11, 40, and 74, the following categories of millage may be

1 utilized to meet the minimum base millage requirement:

2 (A) The local school district's maintenance and operation millage;

3 (B) The dedicated maintenance and operation millage;

4 (C) Excess debt service millage;

5 (D) The millage derived from the ratio of the debt service funding

6 supplements divided by the total assessment

7 (18) "Weighted average millage rate (WAMR)" means a millage rate

8 calculated by taking the sum of:

9 (A) The millage levied on real property times the real property
10 assessment base; plus

11 (B) The millage levied on personal property times the personal
12 property assessment base; plus

13 (C) The millage levied on utility property times the utility
14 property assessment base; and
15 dividing by the total assessed value on taxable real, personal, and utility
16 property.

17

18 SECTION 4. Establishment of compliance.

19 Compliance with the uniform rate of tax shall be established by the
20 Arkansas Department of Education in coordination with the Assessment
21 Coordination Division of the Arkansas Public Service Commission.

22

23 SECTION 5. Title 26, Chapter 80 of the Arkansas Code Annotated is
24 amended by adding a Subchapter 2 to read as follows:

25 "26-80-201. Calculation of the uniform rate of tax.

26 Beginning with Calendar Year 1997, and each year thereafter, compliance
27 with the uniform rate of tax shall be computed using the following method:

28 (1) By March 15 in each calendar year, the county clerk of each county
29 shall transmit to the State Department of Education the abstract of assessment
30 for the previous calendar years assessments for collection in the current
31 year.

32 (2) This abstract shall show, by class of property and value, the total
33 assessment of each school district in the county and the millage rate charged,
34 after all adjustments ordered by the county equalization board and the county
35 court have been made.

36 (3) By May 30 of each year, the State Department of Education shall

1 certify scheduled bonded debt payments for each school district in the
2 following three categories:

3 (A) The total scheduled bonded debt payment for the succeeding
4 fiscal year;

5 (B) The total scheduled bonded debt payment for the succeeding
6 fiscal year on bonds issued prior to May 30; and

7 (C) The total number of mills in categories (A) and (B) dedicated
8 to mandatory callable bonds.

9 (4) By May 30 of each year, the State Department of Education shall
10 certify average daily membership for the current school year.

11 (5) The initial compliance shall be calculated by taking the weighted
12 average millage rate of the school district submitted by the county clerk
13 minus the debt service millage required plus the millage derived from the
14 ratio of the debt service funding supplements for the calendar year over the
15 total assessment shown on the abstract of assessment.

16 (A) If the result is less than the uniform rate of tax, then the
17 result shall be adjusted up to the uniform rate of tax.

18 (B) If the result is greater than the uniform rate of tax, then
19 the difference between the result and the uniform rate of tax shall be
20 considered additional mills for maintenance and operation. Any excess debt
21 service millage considered additional mills for maintenance and operation may
22 be used by the district for the purpose of paying the principal and interest
23 on indebtedness of the district and may be pledged for that purpose or any
24 other school purpose.

25 (6) The Director of the State Department of Education, General
26 Education Division, shall report to the county clerks and the individual
27 school districts by June 15 of each year the required increase, if any, in
28 total millage necessary to comply with the uniform rate of tax and shall
29 designate the millage rates proposed to be used to calculate the uniform rate
30 of tax. Whenever an increase is required, the notification shall include an
31 explanation for the increase.

32 (7) By November 1 of each year, the county clerk of each county in
33 which a reappraisal of real, personal, and utility property has been completed
34 that could initiate a rollback of millage rates, or in which equalization of
35 the real, personal, and utility millage rates has not taken place, shall
36 notify the Director of the State Department of Education, General Education

1 Division, of the possibility of such rollback or additional rollback taking
 2 place.

3 (8) Pursuant to the application of Amendment No. 74 to the rollback
 4 provisions of Amendment No. 59, for millage rates levied by the various school
 5 districts within the county, if it is determined that the adjustment or
 6 rollback of millages as provided in Amendment No. 59 will result in a tax rate
 7 available for maintenance and operation of less than the uniform rate of tax,
 8 then the millage shall be rolled back only to the uniform rate of tax plus
 9 debt service millage required and no further."

10

11 SECTION 6. Arkansas Code Annotated § 26-80-101 is amended to read as
 12 follows:

13 "26-80-101. ~~Poll tax~~ Uniform Rate of Tax.

14 ~~— (a) There shall be levied annually one dollar (\$1.00) per capita on~~
 15 ~~each inhabitant of the state over twenty-one (21) years of age for the public~~
 16 ~~schools.~~

17 ~~— (b) All moneys received from the per capita tax shall be retained in~~
 18 ~~the county where collected and credited to the general school fund of the~~
 19 ~~county.~~

20 (a) There is established a uniform rate of ad valorem property tax of
 21 twenty-five (25) mills to be levied on the assessed value of all taxable real,
 22 personal, and utility property in the state to be used solely by school
 23 districts to which it may be distributed according to law for maintenance and
 24 operation of the schools.

25 (b) The uniform rate of tax shall be assessed and collected in the same
 26 manner as other school property taxes, but the net revenues from the uniform
 27 rate of tax shall be remitted to the Treasurer of State and distributed by the
 28 State to the county treasurer of each county for distribution to the school
 29 districts in that county as provided by subsection (c) of this section. No
 30 portion of the revenues from the uniform rate of tax shall be retained by the
 31 State but shall be distributed back to the school district from which the
 32 revenues were received or to other school districts pursuant to subsection (c)
 33 of this section. No additional fees or charges shall be assessed at the local
 34 level for transmission and redistribution of these funds. The revenues so
 35 distributed shall be used by the school districts solely for maintenance and
 36 operation of schools.

1 (1) The Treasurer of State shall establish procedures, forms, and
2 documentation requirements for the certification of net revenues produced by
3 the uniform rate of tax to be deposited with the Treasurer of State and
4 redistributed as provided by law. Further, the Treasurer of State shall
5 establish procedures, forms, and documentation requirements for the actual
6 deposit and redistribution of the net revenues produced by the uniform rate of
7 tax.

8 (2) Each county treasurer shall execute an electronic funds
9 transfer agreement with the Treasurer of State to effectuate the
10 contemporaneous transmittal of funds to the Treasurer of State and the
11 redistribution as provided by law of the net revenues produced by the uniform
12 rate of tax.

13 (3) The Treasurer of State shall process the necessary
14 documentation to certify the amount to be receipted and redistributed to each
15 county treasurer twice each month, with no interim distributions.
16 Documentation received and certified on the second and fourth Tuesday of each
17 month by the time deadlines established by the Treasurer of State shall be
18 processed for execution of the electronic funds transfer of deposit and
19 redistribution, as provided by law, of the net revenues produced by the
20 uniform rate of tax on the following day. When banking holidays occur, the
21 Treasurer of State shall notify the county treasurers of the revised deadline
22 which shall minimize delay in the receipt and redistribution, as provided by
23 law, of the net revenues of the uniform rate of tax.

24 (4) Each county official involved in the process established by
25 the Treasurer of State for receipt and redistribution of the net revenues of
26 the uniform rate of tax shall take all actions and do all things necessary to
27 ensure that the process established is carried out in an efficient and prudent
28 manner.

29 (5) It is the intention of the General Assembly to have the
30 collection and distribution of tax revenues modified as little as possible by
31 this process. The General Assembly specifically acknowledges that, under
32 other law, county treasurers distribute revenues monthly on a pro rata basis
33 to the various taxing units, with a reconciliation of actual revenues produced
34 by each levy of each taxing unit in the county taking place only in the final
35 settlement produced for each tax year. This process is not intended to affect
36 the monthly distribution or final settlement process except that there will be

1 the twice-monthly process set out above."

2 (c)(1) For the 1996-97 school year and each year thereafter, each
3 county treasurer shall remit the net revenues from the uniform rate of tax to
4 each local school district from which the revenues were derived, unless
5 otherwise specified in subdivisions (2) and (3) of this subsection.

6 (2)(A) For the 1997-98 school year, the State Department of
7 Education shall determine which local school districts have a local revenue
8 per student in excess of the base local revenue per student and shall
9 calculate five percent (5%) of such excess and multiply the result times the
10 district's ADM for the previous year.

11 (B) The State Department of Education shall certify, to any
12 affected county treasurer, the local school district identified as having an
13 excess and the amount calculated in subdivision (2)(A) of this subsection by
14 August 1 of each school year.

15 (C) Any county treasurer receiving certification from the
16 State Department of Education under subdivision (2)(B) of this subsection
17 shall remit the amount certified to the State Treasury for the credit of the
18 Public School Fund and redistribute the difference between the net revenues
19 from the uniform rate of tax and the amount certified to the affected local
20 school district.

21 (3)(A) For the 1998-99 school year, the State Department of
22 Education shall determine which local school districts have a local revenue
23 per student in excess of the base local revenue per student and shall
24 calculate ten percent (10%) of such excess and multiply the result times the
25 district's ADM for the previous year.

26 (B) The State Department of Education shall certify, to any
27 affected county treasurer, the local school district identified as having an
28 excess and the amount calculated in subdivision (3)(A) of this subsection by
29 August 1 of each school year.

30 (C) Any county treasurer receiving certification from the
31 State Department of Education under subdivision (3)(B) of this subsection
32 shall remit the amount certified to the State Treasury for the credit of the
33 Public School fund and redistribute the difference between the net revenues
34 from the uniform rate of tax and the amount certified to the affected local
35 school district.

36

1 SECTION 7. Arkansas Code Annotated § 26-80-103 is repealed.

2 ~~26-80-103 Continuing building fund tax of varying rates.~~

3 ~~(a) Any school district may submit to its electors at any annual school~~
 4 ~~election the question of setting up a continuing building fund tax of~~
 5 ~~different rates in different years according to the needs of the district and~~
 6 ~~the maturities of its obligations.~~

7 ~~(b) In the event a district has submitted to the electors and they have~~
 8 ~~approved a proposal to levy a continuing building fund tax of varying rates of~~
 9 ~~millage and money has been borrowed payable out of the tax so voted, the~~
 10 ~~contract for the repayment of the money shall constitute valid and binding~~
 11 ~~obligations of the district.~~

12

13 SECTION 8. Arkansas Code Annotated § 26-80-104 is amended to read as
 14 follows:

15 "26-80-104. Collection and separation of proceeds.

16 (a) Rates voted for different funds of district school tax shall not be
 17 shown separately on the county tax books but shall be shown there only in the
 18 total amount of district tax to be levied.

19 (b) The school tax shall be collected in the same manner as county
 20 taxes are collected, at the same time and by the same person, and be paid into
 21 the county treasury.

22 (c) The county treasurer shall separate the proceeds of these taxes
 23 into the several funds as is provided by law, or by the county board of
 24 education as has been stated, or the school directors as is authorized by law.

25 (d) The county treasurer shall separate the proceeds from the uniform
 26 rate of tax by multiplying the ratio of the uniform rate of tax divided by the
 27 total rate of tax for the school district times the net revenues from the
 28 total rate of tax for the school district. These proceeds shall be remitted
 29 to the Treasurer of State and shall be redistributed to the county treasurer
 30 as provided by § 26-80-101."

31

32 SECTION 9. Arkansas Code Annotate § 26-80-105 is repealed.

33 ~~6-80-105 Extension and collection of assessed real property taxes.~~

34 ~~(a) In any school district of this state embracing territory in more~~
 35 ~~than one (1) county, if one or more, but not all, of the counties in which the~~
 36 ~~school district is located have been certified by the Assessment Coordination~~

~~1 Division of the Arkansas Public Service Commission as meeting the requirements
2 of § 26-26-301 et seq., then, upon resolution of the school district board,
3 school taxes on real property in that portion of the school district located
4 in any county so certified as having met the requirements of these statutes
5 shall be extended and collected on assessment of real property as certified by
6 the county equalization board for the year immediately preceding the year in
7 which the county was certified as having met the requirements of these
8 statutes.~~

~~9 ——— (b) Whenever all counties in which territory of any such school
10 district may be located have been certified as meeting the requirements of
11 these statutes, the provisions of this section shall no longer be applicable
12 to that school district.~~

13

14 SECTION 10. Arkansas Code Annotated § 26-80-106 is amended to read as
15 follows:

16 "26-80-106 Use of surplus for other purposes.

17 Because of consolidations of school districts and for other reasons, the
18 ~~continuing debt service~~ millage voted by a school district for the payment of
19 its outstanding indebtedness frequently provided a substantial surplus over
20 the amount of the annual principal and interest requirements. This surplus
21 may be used by the district for the purpose of paying the principal and
22 interest of subsequent indebtedness incurred by it and may be pledged for that
23 purpose or any other school purpose, provided that the district is in
24 compliance with the uniform rate of tax."

25

26 SECTION 11. Arkansas Code Annotated § 26-80-107 is repealed.

27 ~~——— 26-80-107. Raising of additional voluntary tax.~~

28 ~~——— (a) Whenever the directors in any single or special school district in
29 a city or town, the population of which as shown by the last federal census
30 exceeds forty thousand (40,000) inhabitants, after careful investigation have
31 ascertained that more than a majority of the property owners in the district
32 favor the raising of a contribution or voluntary tax in addition to the usual
33 school district tax, for the purpose of supporting the common schools in the
34 district, and having certified their finding showing the rate of the voluntary
35 tax to the tax collectors of the county in which the district is situated, it
36 shall be the duty of the collector to assist in the collection of the~~

~~1 voluntary tax by showing the amount thereof in dollars and cents on the tax
2 list of each property owner in the school district and, if paid by the
3 property owner to the collector, to include in his receipt for taxes the
4 amount of the contribution or voluntary tax paid by the taxpayer.~~

~~5 (b) The collector shall be paid expenses for his service, which amount
6 shall be fixed by the school directors.~~

7

8 SECTION 12. Arkansas Code Annotated § 26-80-108 is repealed.

~~9 26-80-108. Settlement of voluntary taxes --- Refunds.~~

~~10 (a) It shall be the duty of the collector to pay into the treasury of
11 the school district, within thirty (30) days after his final settlement, as
12 provided by law, all collections made by him of the contribution or voluntary
13 tax and, at the same time, to furnish the school directors with a list
14 containing the names and assessed valuations of those property owners who
15 refuse to pay the voluntary tax.~~

~~16 (b) If the collector shall collect any such tax from any person who has
17 not voluntarily subscribed to it, he may refund it to the proper parties
18 applying therefor before his settlement with the school directors. The person
19 shall apply to the school board for refund, and the collector shall not be
20 liable therefor.~~

21

22 SECTION 13. Arkansas Code Annotated § 26-80-109 is repealed.

~~23 6-80-109 Tax pledges enforceable.~~

~~24 Any pledge to pay a voluntary tax made in writing and signed by a
25 property owner, or his agent, agreeing to pay the voluntary tax shall be
26 deemed executed for a sufficient consideration and shall be enforceable.~~

27

28 SECTION 14. Arkansas Code Annotated § 6-20-1212 is amended to read as
29 follows:

30 "6-20-1212. Resolution setting priority in case of default.

31 On the issuance of any bonds, the school district board of directors may
32 provide by resolution, which shall be a contract with the holders of the
33 bonds, that should there be a default in the payment of any installment of
34 principal or interest when due, the first moneys coming to the district from
35 any source ~~whatever~~, other than the uniform rate of tax, shall be paid into
36 the building fund and applied on past due principal or interest on the bonds

1 until paid in full."

2

3 SECTION 15. Arkansas Code Annotated § 6-14-114 shall be amended to read
4 as follows:

5 "6-14-114. Counting of votes.

6 When the polls of each election are closed, the judges shall immediately
7 proceed to count the results, and make returns thereof to the county clerk
8 showing:

9 (1) The number of votes cast for each person for school district
10 director;

11 (2) The number of votes cast for school tax;

12 (3) The number of votes cast against school tax;

13 (4) ~~In case of a division of the millage to be levied as school tax,~~
14 ~~the~~ The number of mills for:

15 (A) ~~The current~~ additional mills for maintenance and operation
16 of the schools;

17 (B) ~~The erection and equipment of school buildings~~ The
18 dedicated maintenance and operation mills of the school district;

19 (C) ~~The retirement of existing indebtedness;~~ The debt service
20 millage, which shall include debt service millage required and excess debt
21 service millage in the school district; and

22 (D) The total millage rate levied for all purposes in the school
23 district.

24 (5) The number of votes cast for and against any other question
25 submitted at the election."

26

27 SECTION 16. Security and overage of bond issues.

28 (a) Nothing in this act shall be construed as to eliminate or to
29 discourage the practice of levying additional mills above those necessary to
30 service the debt for the purpose of security.

31 (b) Any school district that voted a debt service millage tax levy
32 above the levy required to service the debt, shall continue to show that
33 additional millage on its ballot for the length of time initially approved or
34 extended by the electors of the school district. The additional mills pledged
35 to the security of the bond that had been voted in the past may be considered
36 additional mills for maintenance and operation or as part of the uniform rate

1 of tax, whichever is applicable. Any excess debt service millage considered
 2 additional mills for maintenance and operation may be used by the district for
 3 the purpose of paying the principal and interest on bonds of the district and
 4 may be pledged for that purpose, provided that the district is in compliance
 5 with the uniform rate of tax.

6 (c) Any school district, with approval of the electors of that district
 7 at the annual school election, when voting for a new tax for the retirement of
 8 debt, may request a tax levy that includes mills greater than the amount
 9 required to service the debt. Excess debt service millage in the new tax levy
 10 for the retirement of debt may be used in calculations as specified in § 26-
 11 80-201(5) of the uniform rate of tax or available for maintenance and
 12 operation. Any excess debt service millage considered additional mills for
 13 maintenance and operation may be used by the district for the purpose of
 14 paying the principal and interest on bonds of the district and may be pledged
 15 for that purpose, provided that the district is in compliance with the uniform
 16 rate of tax.

17 (d) Holders of bonds of the school district shall have a first and
 18 prior right and security interest in the revenue produced by the debt service
 19 millage pledged by the school district to the payment of its bonds.

20
 21 SECTION 17. Arkansas Code Annotated § 26-26-402, pertaining to the
 22 procedure for adjustment of taxes after reappraisal or reassessment of
 23 property, is amended by adding a new subsection to read as follows:

24 "(c) Pursuant to the application of Amendment No. 74, Arkansas
 25 Constitution, to the rollback provisions of Amendment No. 59, Arkansas
 26 Constitution, for millage rates levied by the various school districts within
 27 the county, if it is determined that the adjustment or rollback of millages as
 28 provided in Amendment No. 59 will result in a tax rate available for
 29 maintenance and operation of less than the uniform rate of tax, then the
 30 millage shall be rolled back only to the uniform rate of tax plus debt service
 31 millage required, and no further."

32
 33 SECTION 18. Assessment Coordination Division - Form revision.

34 The Assessment Coordination Division of the Public Service Commission
 35 shall revise the forms found in §§ 26-26-401 et seq. pertaining to rollback of
 36 millage rates under Amendment No. 59, Arkansas Constitution, to provide for

1 changes required to effectuate Amendment No. 74 to the Arkansas Constitution.
 2 The revised forms produced by the Assessment Coordination Division shall be
 3 submitted to the Arkansas Legislative Council, or any subcommittee designated
 4 by that body, for review and comment on or before August 1, 1997. Upon review
 5 by the Arkansas Legislative Council, the Arkansas Code Revision Commission
 6 shall incorporate such revised forms into §§ 26-26-401 et seq.

7

8 SECTION 19. Arkansas Code Annotated § 14-14-904(b) is amended to read as
 9 follows:

10 "~~(b) Levy of Taxes and Making of Appropriations.~~ (1) The quorum
 11 court, at its regular meeting in November of each year shall levy the county,
 12 municipal and school taxes for the current year, and before the end of each
 13 fiscal year, the court shall make appropriations for the expenses of county
 14 government for the following year. The Director of the Assessment
 15 Coordination Division of the Public Service Commission may authorize an
 16 extension of the date for levy of taxes of up to sixty (60) days upon
 17 application by the county judge and county clerk of any county for good cause
 18 shown resulting from reappraisal or rollback of taxes.

19 (2) Nothing in this subsection, shall prohibit the quorum court
 20 from making appropriation amendments at any time during the current fiscal
 21 year.

22 (3) If the levy of taxes is repealed by referendum, the county
 23 may adopt a new ordinance levying taxes, within thirty (30) days after the
 24 referendum vote is certified."

25

26 SECTION 20. Penalties.

27 (a) All duties imposed by this act on all state and county officers are
 28 declared to be mandatory, and any officer who neglects, fails, or refuses to
 29 perform any such duty shall be subject to removal from office and liable on
 30 his official bond for such neglect, failure, or refusal.

31 (b)(1) Upon the refusal or failure of any state officer to perform any
 32 duty imposed upon him under the provisions of this act, any citizen of the
 33 state may, and the Attorney General of the State of Arkansas shall, institute
 34 in the proper court mandamus proceedings to compel the state officer to
 35 perform his duties.

36 (2) Upon the refusal or failure of any county officer to perform

1 any duty imposed upon him under the provisions of this act, any citizen of the
2 county may, and the prosecuting attorney of the district including such county
3 shall, institute in the proper court mandamus proceedings to compel the county
4 officer to perform his duties.

5

6 SECTION 21. All provisions of this act of a general and permanent nature
7 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
8 Revision Commission shall incorporate the same in the Code.

9

10 SECTION 22. If any provision of this act or the application thereof to
11 any person or circumstance is held invalid, such invalidity shall not affect
12 other provisions or application, and to this end the provisions of this act
13 are declared severable.

14

15 SECTION 23. General Repealer. All laws and parts of laws in conflict
16 with this Act are hereby repealed.

17

18 SECTION 24. EMERGENCY. It is found and determined by the General
19 Assembly that Amendment No. 74 to the Arkansas Constitution was adopted by the
20 electors of this state on November 5, 1996; that Amendment No. 74 became
21 effective on adoption and applies to ad valorem property taxes due in 1997;
22 that the tax books of each county will open for collection of taxes in the
23 near future and that local officials and school districts must have direction
24 on procedures and effects of the various actions required. The General
25 Assembly further finds that Amendment No. 74 requires enactment of legislation
26 to implement the provisions thereof and that this act provides such
27 implementation and should be given effect immediately to accomplish the
28 purposes of Amendment No. 74 in an orderly, effective and efficient manner.
29 Therefore, an emergency is declared to exist and this act being immediately
30 necessary for the preservation of the public peace, health and safety shall
31 become effective on the date of its approval by the Governor. If the bill is
32 neither approved nor vetoed by the Governor, it shall become effective on the
33 expiration of the period of time during which the Governor may veto the bill.
34 If the bill is vetoed by the Governor and the veto is overridden, it shall
35 become effective on the date the last house overrides the veto.