

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

As Engrossed: S3/18/97

A Bill

SENATE BILL 753

4
5 By: Senator Lewellen
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For An Act To Be Entitled

8
9 "AN ACT TO MORE EFFECTIVELY PROVIDE FOR FUNDING AND
10 CAPITAL IMPROVEMENTS FOR LOCAL SCHOOL DISTRICTS; AND FOR
11 OTHER PURPOSES."

Subtitle

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14 "TO MORE EFFECTIVELY PROVIDE FOR FUNDING
15 AND CAPITAL IMPROVEMENTS FOR LOCAL
16 SCHOOL DISTRICTS."
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. Legislative intent.

21 It is the intention of the General Assembly through this act to ensure a
22 more equitable system of school financing and funding capital improvements for
23 local school districts and to ensure school funding and safer public
24 educational facilities for Arkansas children in all areas of the state.

25 It is further the intention of the General Assembly through this act to
26 provide a fair and adequate education as required by Lakeview v. Huckabee and
27 the Little Rock School District desegregation case, to seek an end to costly
28 litigation, to require a comprehensive study of what constitutes adequacy and
29 equity in educational opportunity.

30 It is the specific intention of the General Assembly to allow local
31 school districts to maintain political status and control of policies,
32 procedures, standards, and day-to-day management.
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34 SECTION 2. Definitions.

35 As used in this act, "Capital improvements" means the building,
36 improvement, and equipment of school buildings, purchasing sites therefor,

1 purchasing or refurbishing of new or used school buses, and purchasing books
2 and other equipment.

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4 SECTION 3. Arkansas State School District.

5 Effective September 1, 1997 the entire area of the state of Arkansas
6 shall comprise a single school district, to be known as the Arkansas State
7 School Funding District, for the limited purposes of providing for the funding
8 and capital improvement needs of local school districts and assuming existing
9 debt service obligations for capital improvements.

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11 SECTION 4. Arkansas State School Funding District Board - Powers and
12 duties.

13 (a)(1) Effective September 1, 1997 there is established the Arkansas
14 State School Funding District Board of Education which shall be composed of
15 nine (9) members, one (1) to be selected from each congressional district of
16 the state and the remainder to be appointed at large from within the state.

17 (2) The term of office of a member of the board shall be six (6)
18 years and at the first meeting of the board, the members shall draw lots for
19 terms of office so that no more than two (2) terms expire on June 30 of each
20 year thereafter.

21 (3) The membership of the boards shall be reflective of the
22 diversity of the state's population and shall include at least two (2)
23 minority members.

24 (4) The members of the board shall be appointed by the Governor,
25 subject to the confirmation of the Senate, and shall take the oath of office
26 prescribed by the Constitution for officers.

27 (5) When a vacancy occurs in the membership of the board, the
28 Governor shall appoint a successor, who will serve the unexpired term of the
29 person succeeded.

30 (6) The board shall annually elect one (1) of their number
31 chairman.

32 (b) The Arkansas State School Funding District Board of Education
33 shall:

34 (1) Distribute revenues on behalf of local school districts for
35 capital improvements;

36 (2) Succeed to certain property of local school districts, as the

1 board deems proper;

2 (3) Become liable for that part of the debt service obligations
3 for local school districts, as the board deems proper;

4 (4) Provide for other fiscal needs of local school districts, as
5 the board deems proper;

6 (5) Evaluate the capital improvement needs of local school
7 districts;

8 (6) Promulgate standards for the assessment of needs for local
9 school districts;

10 (7) Promulgate standards for repair of existing facilities and
11 construction of new facilities; and

12 (8) Collect revenues on behalf of the Department of Education for
13 disbursement to local school districts as provided by law.

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15 SECTION 5. Assessment - Reports.

16 (a)(1) By no later than July 1, 1998, the Arkansas State School Funding
17 District Board of Education shall complete an assessment of capital
18 improvement and other needs of all local school districts.

19 (2) On or before May 30, 1998, each local school district shall
20 file with the board an assessment of capital improvement and other needs.

21 (b) The board shall report its findings and recommendations for meeting
22 these needs of local school districts to the Governor and the Legislative
23 Council on or before September 30, 1998.

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25 SECTION 6. Committee on resolution of desegregation issues.

26 The Arkansas State School Funding District Board of Education is
27 authorized to appoint members of a committee which will recommend resolution
28 of desegregation issues in the state; provided however, that all
29 recommendations shall require approval by the General Assembly.

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31 SECTION 7. (a) The current ad valorem tax on utility, industrial and
32 commercial personal property levied by any school district is hereby
33 abolished. In lieu thereof there is hereby levied a statewide tax on personal
34 property owned by a utility company or an industrial or commercial entity at a
35 rate of thirty five (35) mills on the dollar.

36 (b) The tax imposed by this section may be increased by no more than

1 two (2) mills on the dollar each regular session. Such increase shall be
2 approved by a two thirds (2/3) vote of the members of each house of the
3 General Assembly.

4 (c) All ad valorem taxes levied by the state on utility property shall
5 be based on the assessment of the Public Service Commission as provided in
6 Arkansas Code §26-24-103. All ad valorem taxes levied by the state on
7 commercial and industrial property shall be based on the assessment of the
8 Assessment Coordination Division of the Arkansas Public Service Commission
9 which shall have the full power and authority in the administration of the tax
10 laws of this state to have the exclusive power of original assessment of
11 commercial and industrial personal property. Any appeal of the Assessment
12 Coordination Divisions assessment shall be to the Arkansas Public Service
13 Commission sitting as the State Equalization Board. The tax shall be
14 collected in the same manner as all other ad valorem taxes collected by the
15 county collector. The county collector shall not accept any ad valorem taxes
16 from a utility company or industrial or commercial entity whether levied by a
17 city, county, a school district or the state unless such company or entity
18 remits all ad valorem taxes due to the collector.

19 (d) The county collector shall transmit the ad valorem taxes collected
20 pursuant to this act to the state treasurer for credit to the Public School
21 Fund.

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23 SECTION 8. Arkansas Code Annotated §26-26-1202(a) is amended by adding
24 subsection (3) to the end thereof as follows:

25 (3) It shall be the duty of the County Assessors and their deputies to
26 use and follow the manuals, standards, and methodologies promulgated or
27 approved by the Assessment Coordination Division of the Public Service
28 Commission and to use the forms prescribed, furnished or approved by the said
29 Division in making appraisals of the fair market value of real property for
30 assessment purposes. It shall also be the duty of the County Equalization
31 Boards, in performing their duties, to recognize and follow such manuals and
32 standards, and the County Equalization Boards shall not change an assessment
33 made through use of such manuals, methodologies and standards by the County
34 Assessor unless such change is to correct clear error or is necessary to
35 provide uniformity in the assessment of similar classes of property. The
36 specific reason for any change in an assessment ordered by a County

1 Equalization Board shall immediately be entered in detail in writing in the
2 records of its proceedings. It shall also be the duty of the County Judges,
3 in hearing appeals from the decisions of the County Equalization Boards, to
4 recognize and follow such manuals, methodologies and standards, and a County
5 Judge shall not change an assessment of the County Assessor arrived at using
6 approved manuals, standards, or methodologies unless such change is to correct
7 clear error or is necessary to provide uniformity in the assessment of similar
8 classes of property.

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10 SECTION 9. All provisions of this act of a general and permanent nature
11 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
12 Revision Commission shall incorporate the same in the Code.

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14 SECTION 10. If any provision of this act or the application thereof to
15 any person or circumstance is held invalid, such invalidity shall not affect
16 other provisions or applications of the act which can be given effect without
17 the invalid provision or application, and to this end the provisions of this
18 act are declared to be severable.

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20 SECTION 11. All laws and parts of laws in conflict with this act are
21 hereby repealed.

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23 /s/Lewellen
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