

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: H3/7/01
A Bill

HOUSE BILL 1971

5 By: Representative Teague
6 By: *Senator Hill*
7

8
9 **For An Act To Be Entitled**

10 AN ACT TO AMEND VARIOUS PROVISIONS CONCERNING THE
11 COLLECTION OF PROPERTY TAXES BY COUNTY
12 COLLECTORS; AND FOR OTHER PURPOSES.
13

14 **Subtitle**

15 TO AMEND VARIOUS PROVISIONS CONCERNING
16 THE COLLECTION OF PROPERTY TAXES BY
17 COUNTY COLLECTORS.
18

19
20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Arkansas Code 21-6-305 is amended to read as follows:

23 21-6-305. Collector of revenue.

24 (a) The collector of revenue shall be allowed commissions for
25 collecting the revenue and for certifying the amount of real property tax
26 reduction to the Chief Fiscal Officer of the State pursuant to § 26-26-310,
27 which was enacted by Act 1 of the 2nd Extraordinary Session of 2000, as
28 follows:

29 (1) For the first ten thousand dollars (\$10,000) collected, five
30 percent (5%) in kind;

31 (2) For all sums over ten thousand dollars (\$10,000) and under
32 twenty thousand dollars (\$20,000) collected, four and one-half percent (4.5%)
33 in kind;

34 (3) For all sums over twenty thousand dollars (\$20,000)
35 collected, four percent (4%) in kind; and

36 (4) For the amount of real property tax reduction certified to

1 the Chief Fiscal Officer of the State, four percent (4%) in kind.

2 ~~(4) However, in counties whose population is not less than eight~~
 3 ~~thousand five hundred ninety seven (8,597) and not more than eight thousand~~
 4 ~~six hundred ten (8,610), according to the last federal census, said collector~~
 5 ~~shall be allowed a commission of five percent (5%) upon all funds collected by~~
 6 ~~him.~~

7 ~~(b) The increased commission provided in this section shall not apply~~
 8 ~~to taxes levied for school purposes.~~

9 ~~(c) Provisions of this law shall be suspended and inoperative during~~
 10 ~~any period of time that a state ad valorem tax of six and one half (6.5) mills~~
 11 ~~is in effect, and shall remain in full force and effect at all other times.~~

12 (b) All commissions allowed to the collector by this section or any
 13 other law shall be paid into the county treasury as general revenues.

14 (c) The county collector's commission shall be used by the collector to
 15 offset administrative costs.

16 (d) All moneys not used by the collector to offset administrative costs
 17 shall be prorated to the appropriate taxing entities.

18
 19 SECTION 2. Arkansas Code 14-15-203 is amended to read as follows:
 20 14-15-203. Pro rata contribution to salaries.

21 (a)(1) It is declared to be the policy of the state and local
 22 governments of Arkansas that from and after July 1, 1947, the state and every
 23 county, municipality, school district, and other taxing unit, excepting only
 24 special improvement districts to which the county assessor is not required by
 25 law to render service, receiving ad valorem or other tax funds collected by
 26 county collectors or certified to the Chief Fiscal Officer of the state
 27 pursuant to § 26-26-310, which was enacted by Act 1 of the 2nd Extraordinary
 28 Session of 2000, by county collectors, shall contribute funds for the payment
 29 of the salaries, and the necessary expenses incurred in the performance of
 30 their official duties, of the county assessors and their deputies.

31 (2)(A) At least twenty (20) days prior to the quorum court
 32 meeting at which the annual budget is adopted, the county assessor shall
 33 provide to each taxing unit a copy of the proposed budget of the county
 34 assessor for the next year.

35 (B) At least ten (10) days prior to any meeting of the
 36 quorum court at which an amendment adding an appropriation exceeding one

1 percent (1%) of the original budget amount to the budget of the county
2 assessor shall be presented, the county assessor shall provide to each taxing
3 unit a copy of such proposed amendment.

4 (C) Copies of such budget and any such amendments shall be
5 provided by giving copies to the following:

6 (i) For the county, to the county clerk;

7 (ii) For a municipality, to the clerk or recorder;

8 (iii) For a school district, to the superintendent.

9 (b)(1) For the purpose of carrying out this policy, the amount so to be
10 contributed annually by each of the taxing units shall be in the proportion
11 that the total of such taxes collected or certified to the state pursuant to §
12 26-26-310, which was enacted by Act 1 of the 2nd Extraordinary Session of
13 2000, for the benefit of each taxing unit bears to the total of taxes
14 collected for the benefit of all taxing units.

15 (2) The pro rata contribution of the salaries and expenses of any
16 taxing unit which receives taxes collected or certified to the state pursuant
17 to § 26-26-310, which was enacted by Act 1 of the 2nd Extraordinary Session of
18 2000, for the purpose of meeting debt service requirements of its issued and
19 outstanding bonds shall be charged to and paid out of the taxing unit's
20 general fund, and not to, or out of, any special fund it may maintain for this
21 purpose, nor in such other manner as will diminish the amount necessary to
22 meet such debt service requirements.

23
24 SECTION 3. Arkansas Code 26-26-310(a), which was enacted by Act 1 of
25 the 2nd Extraordinary Session of 2000 and concerning the certification of
26 amount of property tax reduction, is amended to read as follows:

27 (a)(1) On or before March 31, 2001, and each March 31 thereafter, the
28 county collector of each county shall certify to the Chief Fiscal Officer of
29 the State the amount of the real property tax reduction provided in ~~Sec. §~~ 26-
30 26-1118.

31 (2)(A) After receipt of the certification from the county
32 collectors, the Chief Fiscal Officer of the State shall determine the
33 proportionate share of the total statewide reduction attributable to each
34 county.

35 (B) At the end of each month, the Chief Fiscal Officer of
36 the State shall determine the balance in the Property Tax Relief Trust Fund

1 and certify it to the Treasurer of State, who shall make distributions from
 2 the fund to each county treasurer in accordance with the county's
 3 proportionate share of the total statewide property tax reduction for that
 4 calendar year resulting from the provisions of ~~Sec.~~ § 26-26-1118.

5 (3)(A)(i) Funds so received by the county treasurers shall be
 6 ~~allocated and distributed to the various taxing units within the county which~~
 7 ~~levy ad valorem taxes~~ credited to the county property tax relief fund.

8 (ii) Ninety-six percent (96%) of the funds shall be
 9 allocated and distributed to the various taxing entities within the county
 10 that levy ad valorem taxes.

11 (iii) The allocation shall be based on a
 12 certification from the collector of the amount of the real property tax
 13 reduction per taxing entity provided in § 26-26-1118, which was enacted by Act
 14 1 of the 2nd Extraordinary Session of 2000.

15 (iv) The four percent (4%) retained in the fund is
 16 the commission of the county collector as authorized under § 21-6-305 (a)(4).

17 (v) This commission shall be transferred to the
 18 general fund of the county in December of each year to become a part of the
 19 total commission of the county collector.

20 (vi) These funds are subject to § 21-6-305(d).

21 (B) Funds so received by the various taxing units shall be
 22 used for the same purposes and in the same proportions as otherwise provided
 23 by law.

24
 25 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General
 26 Assembly that property tax reimbursements to the counties will most likely
 27 begin in April and it is critical to the counties to account for costs borne
 28 by the certification of amounts of real property tax reduction to the Chief
 29 Fiscal Officer of the State as soon as possible. Therefore, an emergency is
 30 declared to exist and this act being immediately necessary for the
 31 preservation of the public peace, health and safety shall become effective on
 32 the date of its approval by the Governor. If the bill is neither approved nor
 33 vetoed by the Governor, it shall become effective on the expiration of the
 34 period of time during which the Governor may veto the bill. If the bill is
 35 vetoed by the Governor and the veto is overridden, it shall become effective
 36 on the date the last house overrides the veto.

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/s/ Teague