

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

A Bill

HOUSE BILL 2371

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5 By: Representative Broadway
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For An Act To Be Entitled

9 AN ACT TO ESTABLISH PROCEDURES PURSUANT TO SECTION 4
10 OF AMENDMENT 79 TO THE CONSTITUTION OF ARKANSAS FOR
11 THE ADJUSTMENT OF AD VALOREM TAXES TO ASSURE THAT THE
12 TAX OR MILLAGE LEVIED FOR BOND INDEBTEDNESS PURPOSES
13 WILL PROVIDE A LEVEL OF INCOME SUFFICIENT TO MEET THE
14 REQUIREMENTS OF THE BOND INDENTURE; AND FOR OTHER
15 PURPOSES.

Subtitle

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18 TO ESTABLISH PROCEDURES FOR THE
19 ADJUSTMENT OF AD VALOREM TAXES TO ASSURE
20 THAT THE TAX OR MILLAGE LEVIED FOR BOND
21 INDEBTEDNESS PURPOSES WILL PROVIDE A
22 LEVEL OF INCOME SUFFICIENT TO MEET THE
23 REQUIREMENTS OF THE BOND INDENTURE.
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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28 SECTION 1. (a) It is found by the General Assembly that:

29 (1) The taxing units which are required to equalize millage
30 rates pursuant to Amendment 79 to the Constitution of Arkansas are generally
31 in slow growth areas of the state;

32 (2) A financial hardship will occur to school districts if the
33 real and personal property rates are equalized and thus some school districts
34 will be at risk to default upon their bond indebtedness; and

35 (3) Section 4 of Amendment 79 authorizes the General Assembly to
36 establish procedures to adjust ad valorem taxes to the extent necessary to

1 provide a level of income sufficient to meet the requirements of bond
2 indebtedness.

3 (b) It is the intent of the General Assembly that personal property
4 millage rates not be equalized in the school district which is at risk of
5 defaulting upon its bond indebtedness.

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7 SECTION 2. (a) A school district may submit a request to the State
8 Board of Education that the personal property millage rate not be equalized
9 with real property millage rates in order to provide a level of income
10 sufficient to meet the requirements of all principal, interest, paying agent
11 fees, reserves, and other requirements of the bond indenture.

12 (b)(1) The State Board of Education shall review the request by the
13 school district and may approve personal property millage rates to be
14 different than the real property millage rate.

15 (2) The board shall state, in writing, its reason for the
16 approval or denial of different real and personal property millage rates.

17 (3)(A) At least two (2) weeks prior to the date the millage
18 rates are levied by the quorum court, the school district shall provide the
19 written approval by the board to the county clerk of the county in which the
20 school district is located.

21 (B) The county clerk shall place the millage rate on the
22 millage ordinance to be approved by the quorum court.

23 (C) The county clerk shall notify the Assessment
24 Coordination Department that it has placed the unequal millage rates on the
25 millage ordinance.

26 (c) The quorum court shall only levy different real and personal
27 property millage rates in a school district upon a written approval by the
28 State Board of Education.

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