1 2	State of Arkansas  84th General Assembly  As Engrossed:  A B	•11
3	Second Extraordinary Session, 2003	SENATE BILL 39
4	Second Extraordinary Session, 2003	SEIMTE BILL 37
5	By: Senator Glover	
6	2). 34e. 318.42	
7		
8	For An Act To	Be Entitled
9	AN ACT TO LEVY AN ADDITION	AL EXCISE TAX OF ONE-
10	HALF OF ONE PERCENT (0.5%)	UPON ALL TAXABLE SALES
11	OF PROPERTY AND SERVICES S	UBJECT TO THE TAX
12	LEVIED BY THE ARKANSAS GRO	SS RECEIPTS TAX ACT AND
13	UPON ALL TANGIBLE PERSONAI	PROPERTY AND SERVICES
14	SUBJECT TO THE TAX LEVIED	BY THE ARKANSAS
15	COMPENSATING TAX ACT; TO C	REATE THE EDUCATIONAL
16	ADEQUACY TRUST FUND; AND E	OR OTHER PURPOSES.
17		
18	Subt	tle
19	LEVIES AN ADDITIONAL (C	.5%) SALES AND
20	USE TAX AND CREATES THE	EDUCATIONAL
21	ADEQUACY TRUST FUND.	
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23		
24	BE IT ENACTED BY THE GENERAL ASSEMBLY OF	THE STATE OF ARKANSAS:
25		
26	SECTION 1. Arkansas Code § 26-52-	302 is amended to read as follows:
27	26-52-302. Additional taxes levie	d.
28	(a) In addition to the excise tax	levied upon the gross proceeds or
29	gross receipts derived from all sales by	the Arkansas Gross Receipts Act, §
30	26-52-101 et seq., there is levied an ex	cise tax of one percent (1%) upon all
31	taxable sales of property and services s	abject to the tax levied in that act.
32	This tax shall be collected, reported, a	nd paid in the same manner and at the
33	same time as is prescribed by law for th	e collection, reporting, and payment
34	of all other Arkansas gross receipts tax	es. In computing gross receipts or
35	gross proceeds as defined in § 26-52-103	(a)(4), a deduction shall be allowed
36	for bad debts resulting from the sale of	tangible personal property.

- 1 (b) In addition to the excise tax levied upon the gross proceeds or 2 gross receipts derived from all sales by the Arkansas Gross Receipts Act, § 26-52-101 et seq., there is hereby levied an excise tax of one-half of one 3 4 percent (0.5%) upon all taxable sales of property and services subject to the 5 tax levied in that act, and such tax shall be collected, reported, and paid 6 in the same manner and at the same time as is prescribed by law for the 7 collection, reporting, and payment of all other Arkansas gross receipts 8 taxes. Provided that, in computing gross receipts or gross proceeds as 9 defined in § 26-52-103(a)(4), a deduction shall be allowed for bad debts 10 resulting from the sale of tangible personal property.
  - (c)(1) Beginning January 1, 2001, there is hereby levied an additional excise tax of one-half of one percent (0.5%) upon all taxable sales of property and services subject to the tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.
- 15 (2) The tax shall be collected, reported, and paid in the same 16 manner and at the same time as is prescribed by the Arkansas Gross Receipts 17 Act of 1941, § 26-52-101 et seq., for the collection, reporting, and payment 18 of Arkansas gross receipts taxes.
- 19 (d)(1) Beginning March 1, 2004, there is levied an additional excise
  20 tax of one-half of one percent (0.5%) upon all taxable sales of property and
  21 services subject to the tax levied by the Arkansas Gross Receipts Act of
  22 1941, § 26-52-101 et seq.
  - (2) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., for the collection, reporting, and payment of Arkansas gross receipts taxes.

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- SECTION 2. Arkansas Code § 26-53-107 is amended to read as follows: 29 26-53-107. Additional taxes levied. [Effective until contingency in 30 Acts 2003, No. 1273, § 88 is met.]
- 31 (a) In addition to the excise tax levied upon the privilege of 32 storing, using, distributing, or consuming tangible personal property within 33 this state by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there 34 is levied an excise tax of one percent (1%) upon all tangible personal 35 property subject to the tax levied in that act, and the tax shall be 36 collected, reported, and paid in the same manner and at the same time as is

- 1 prescribed by law for the collection, reporting, and payment of state 2 compensating taxes.
- (b) In addition to the excise tax levied upon the privilege of 3 4 storing, using, distributing, or consuming tangible personal property within 5 the state by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there is 6 hereby levied an excise tax of one-half of one percent (0.5%) upon all 7 tangible personal property subject to the tax levied in that act, and such 8 tax shall be collected, reported, and paid in the same manner and at the same
- 9 time as is prescribed by law for the collection, reporting, and payment of 10 Arkansas compensating taxes.
- 11 (c)(1) Beginning January 1, 2001, there is hereby levied an additional 12 excise tax of one-half of one percent (0.5%) upon all tangible personal property subject to the tax levied by the Arkansas Compensating Tax Act of 13 14 1949, § 26-53-101 et seq.
- 15 (2) The tax shall be collected, reported, and paid in the same 16 manner and at the same time as is prescribed by the Arkansas Compensating Tax 17 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment of Arkansas compensating taxes. 18
- 19 (d)(1) Beginning March 1, 2004, there is levied an additional excise tax of one-half of one percent (0.5%) upon all tangible personal property 20 21 subject to the tax levied by the Arkansas Compensating Tax Act of 1949, § 26-22 53-10<u>1 et seq.</u>
- 23 (2) The tax shall be collected, reported, and paid in the same 24 manner and at the same time as is prescribed by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment of Arkansas compensating taxes.

27 28 SECTION 3. Arkansas Code § 26-53-107 is amended to read as follows:

- 29 26-53-107. Additional taxes levied. [Effective when contingency in
- 30 Acts 2003, No. 1273, § 88 is met.]

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31 In addition to the excise tax levied upon the privilege of 32 storing, using, distributing, or consuming tangible personal property and 33 taxable services within this state by the Arkansas Compensating Tax Act of 34 1949,  $\S$  26-53-101 et seq., there is levied an excise tax of one percent (1%) 35 upon all tangible personal property and taxable services subject to the tax 36 levied in that act, and the tax shall be collected, reported, and paid in the

- same manner and at the same time as is prescribed by law for the collection, reporting, and payment of state compensating taxes.
- 3 (b) In addition to the excise tax levied upon the privilege of 4 storing, using, distributing, or consuming tangible personal property and 5 taxable services within the state by the Arkansas Compensating Tax Act of
- 6 1949, § 26-53-101 et seq., there is hereby levied an excise tax of one-half
- 7 of one percent (0.5%) upon all tangible personal property and taxable
- 8 services subject to the tax levied in that act, and the tax shall be
- 9 collected, reported, and paid in the same manner and at the same time as is
- 10 prescribed by law for the collection, reporting, and payment of Arkansas
- 11 compensating taxes.
- 12 (c)(1) Beginning January 1, 2001, there is hereby levied an additional
- 13 excise tax of one-half of one percent (0.5%) upon all tangible personal
- 14 property and taxable services subject to the tax levied by the Arkansas
- 15 Compensating Tax Act of 1949, § 26-53-101 et seq.
- 16 (2) The tax shall be collected, reported, and paid in the same
- 17 manner and at the same time as is prescribed by the Arkansas Compensating Tax
- 18 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment
- 19 of Arkansas compensating taxes.
- 20 (d)(1) Beginning March 1, 2004, there is levied an additional excise
- 21 tax of one-half of one percent (0.5%) upon all tangible personal property and
- 22 taxable services subject to the tax levied by the Arkansas Compensating Tax
- 23 Act of 1949, § 26-53-101 et seq.
- 24 (2) The tax shall be collected, reported, and paid in the same
- 25 manner and at the same time as is prescribed by the Arkansas Compensating Tax
- 26 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment
- 27 of Arkansas compensating taxes.

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- 29 SECTION 4. Arkansas Code § 26-52-311(b)(1), pertaining to the rental
- 30 vehicle tax, is amended to read as follows:
- 31 (b)(1) In addition to the rate in subsection (c) of this section, the
- 32 rental vehicle tax shall be levied at the same rate as the combined gross
- 33 receipts taxes levied by §§ 26-52-301 and 26-52-302 and any act supplemental
- 34 thereto rate of five percent (5%) and the rate of any applicable municipal or
- 35 county taxes.

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- 1 SECTION 5. Educational Adequacy Trust Fund.
- 2 (a) There is created on the books of the Treasurer of State, the
- 3 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
- 4 <u>fund to be known as the Educational Adequacy Trust Fund.</u>
- 5 (b) The fund shall consist of such revenues as generated by §§ 26-52-
- 6 302(d) and 26-53-107(d).
- 7 (c) On the last day of the month, the Treasurer of State shall
- 8 transfer amounts available in the Educational Adequacy Trust Fund to the
- 9 Department of Education Public School Fund Account established in Arkansas
- 10 <u>Code § 19-5-305</u>, to be used for teacher salaries. The Treasurer of State
- 11 shall make the transfer after making the deductions required from the net
- 12 special revenues as set out in Arkansas Code § 19-5-203(b)(2)(A).

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- 14 SECTION 6. Title 6, Chapter 17, Subchapter 10 is amended to add a new section as follows:
- 16 6-17-1005. Minimum base salary -- 2004-2005.
- 17 (a) In school year 2004-2005, the board of directors in each school
- 18 <u>district in the state shall pay their teachers upon a salary schedule that:</u>
- 19 <u>(1) Has annual increments for education and experience;</u>
- 20 (2) Provides for a base salary;
- 21 <u>(3) Provides for a minimum salary for a teacher with a master's</u>
- 22 degree and at least fifteen (15) years of experience.
- 23 (b)(1) In school year 2004-2005, each school district in the state
- 24 shall have in place a salary schedule with at least the following levels of
- 25 compensation:

26	Years Experience	BA Degree Salary	MA Degree Salary
27	<u>0</u>	<u>\$27,891</u>	\$30,750
28	<u>1</u>	<u>28,449</u>	<u>31,365</u>
29	<u>2</u>	<u>29,018</u>	31,992
30	<u>3</u>	29,598	32,632
31	<u>4</u>	<u>30,190</u>	<u>33,285</u>
32	<u>5</u>	<u>30,795</u>	<u>33,951</u>
33	<u>6</u>	<u>31,410</u>	<u>34,630</u>
34	<u>7</u>	<u>32,039</u>	<u>35,323</u>
35	<u>8</u>	<u>32,679</u>	36,029
36	<u>9</u>	<u>33,333</u>	<u>36,750</u>

1	<u>10</u>	34,000	<u>37,485</u>
2	<u>11</u>	34,680	<u>38,235</u>
3	<u>12</u>	<u>35,374</u>	39,000
4	<u>13</u>	36,082	<u>39,780</u>
5	<u>14</u>	36,804	40,576
6	<u>15</u>	<u>37,540</u>	<u>41,388</u>
7	(c) As used in this section	, "teacher" shall in	nclude any full-time
8	employee of a local public school	district:	
9	(1) Who is compelled	by law to secure a l	license from the State
10	Board of Education as a condition	precedent to employm	nent in a position in or
11	related to grades prekindergarten through twelve (preK-12) of the public		
12	schools of this state; and		
13	<u>(2) Who is:</u>		
14	(A) Engaged dir	ectly in instruction	with students in a
15	classroom setting for more than se	venty percent (70%)	of the individual's
16	<pre>contracted time;</pre>		
17	(B) A guidance	counselor; or	
18	<u>(C) A librarian</u>	<u>•</u>	
18 19	<u>(C) A librarian</u>	<u>•</u>	
	(C) A librarian SECTION 7. Arkansas Code §	_	ed.
19		6-17-1001 is repeale	
19 20	SECTION 7. Arkansas Code §	6-17-1001 is repeale <del>ry – Master's degree</del>	<del>} ,</del>
19 20 21	SECTION 7. Arkansas Code § 6-17-1001. Minimum base sala	6-17-1001 is repeale <del>ry - Master's degree</del> <del>rs in each school d</del> a	estrict in the state
19 20 21 22	SECTION 7. Arkansas Code § 6-17-1001. Minimum base sala (a)(1) The board of directo	6-17-1001 is repeale <del>ry Master's degree</del> <del>rs in each school di</del> <del>ry schedule which ha</del>	estrict in the state as annual increments for
19 20 21 22 23	SECTION 7. Arkansas Code § 6-17-1001. Minimum base sala (a)(1) The board of directo shall pay its teachers upon a sala	6-17-1001 is repeale <del>ry Master's degree</del> <del>rs in each school di</del> <del>ry schedule which he</del> <del>provides for a base</del>	estrict in the state as annual increments for a salary, a minimum
19 20 21 22 23 24	SECTION 7. Arkansas Code § 6-17-1001. Minimum base sala (a)(1) The board of directo shall pay its teachers upon a sala education and experience and which	6-17-1001 is repealed ry Master's degreed rs in each school distributed by schedule which have provides for a base of degree, and at least terms.	estrict in the state as annual increments for a salary, a minimum
19 20 21 22 23 24 25	SECTION 7. Arkansas Code § 6-17-1001. Minimum base sala (a)(1) The board of directo shall pay its teachers upon a sala education and experience and which salary for a teacher with a master	6-17-1001 is repealed ry Master's degree rs in each school distributed by schedule which he provides for a base rs degree, and at least top-	estrict in the state as annual increments for a salary, a minimum ast fifteen (15) years
19 20 21 22 23 24 25 26	SECTION 7. Arkansas Code § 6-17-1001. Minimum base sala (a)(1) The board of directo shall pay its teachers upon a sala education and experience and which salary for a teacher with a master of experience as described in this	6-17-1001 is repealed ry - Master's degree rs in each school distributed which has provides for a base of section.	estrict in the state as annual increments for a salary, a minimum ast fifteen (15) years
19 20 21 22 23 24 25 26 27	SECTION 7. Arkansas Code § 6-17-1001. Minimum base sala (a)(1) The board of directo shall pay its teachers upon a sala education and experience and which salary for a teacher with a master of experience as described in this (2) Beginning with the	6-17-1001 is repealed ry Master's degree rs in each school distributed by school distributed by school of the section.  c 2003-2004 school of the section of the section of the school o	Estrict in the state as annual increments for a salary, a minimum ast fifteen (15) years wear, the teacher's be his or her total
19 20 21 22 23 24 25 26 27 28	SECTION 7. Arkansas Code § 6-17-1001. Minimum base sala (a)(1) The board of directo shall pay its teachers upon a sala education and experience and which salary for a teacher with a master of experience as described in this (2) Beginning with th experience for purposes of salary	6-17-1001 is repealed by Master's degree for a cach school discrepance of the provides for a base of the cache of the cach	Estrict in the state as annual increments for a salary, a minimum ast fifteen (15) years  rear, the teacher's be his or her total of be based on only the
19 20 21 22 23 24 25 26 27 28 29	SECTION 7. Arkansas Code § 6-17-1001. Minimum base sala (a)(1) The board of director shall pay its teachers upon a salar education and experience and which salary for a teacher with a master of experience as described in this (2) Beginning with the experience for purposes of salary years in any school district in the	6-17-1001 is repealed by Master's degree of the second distribution of the	estrict in the state as annual increments for a salary, a minimum ast fifteen (15) years wear, the teacher's be his or her total at be based on only the amployed.
19 20 21 22 23 24 25 26 27 28 29 30	SECTION 7. Arkansas Code § 6-17-1001. Minimum base sala (a)(1) The board of directo shall pay its teachers upon a sala education and experience and which salary for a teacher with a master of experience as described in this (2) Beginning with th experience for purposes of salary years in any school district in th years in the district in which he	6-17-1001 is repealed by Master's degree of the second of	Strict in the state as annual increments for a salary, a minimum ast fifteen (15) years  rear, the teacher's be his or her total of be based on only the employed. Syear thereafter, no
19 20 21 22 23 24 25 26 27 28 29 30 31	SECTION 7. Arkansas Code § 6-17-1001. Minimum base sala (a)(1) The board of directo shall pay its teachers upon a sala education and experience and which salary for a teacher with a master of experience as described in this (2) Beginning with th experience for purposes of salary years in any school district in th years in the district in which he (b) In school year 2000-200	6-17-1001 is repealed ry - Master's degree rs in each school distributed by school distributed by school sc	Strict in the state as annual increments for a salary, a minimum ast fifteen (15) years  year, the teacher's be his or her total be based on only the employed. Syear thereafter, no
19 20 21 22 23 24 25 26 27 28 29 30 31 32	SECTION 7. Arkansas Code § 6-17-1001. Minimum base sala (a)(1) The board of director shall pay its teachers upon a salar education and experience and which salary for a teacher with a master of experience as described in this (2) Beginning with the experience for purposes of salary years in any school district in the years in the district in which he (b) In school year 2000-2000 school district shall pay its teach	6-17-1001 is repealed ry - Master's degree rs in each school distributed by school distributed by school sc	Strict in the state as annual increments for a salary, a minimum ast fifteen (15) years  year, the teacher's be his or her total be based on only the employed. Syear thereafter, no
19 20 21 22 23 24 25 26 27 28 29 30 31 32 33	SECTION 7. Arkansas Code § 6-17-1001. Minimum base sala (a)(1) The board of directo shall pay its teachers upon a sala education and experience and which salary for a teacher with a master of experience as described in this (2) Beginning with th experience for purposes of salary years in any school district in th years in the district in which he (b) In school year 2000-200 school district shall pay its teac experience less than twenty-one th	6-17-1001 is repealed by Master's degree of the cach school distributed by schedule which he provides for a base of the cache of the ca	Section the state  As annual increments for  As alary, a minimum  Asst fifteen (15) years  Frear, the teacher's  Frear the teacher's  Frear the based on only the  Frear thereafter, no  Frear degree and no  I sixty dollars

at least one hundred fifteen percent (115%) of the minimum base salary prescribed in subsection (b) of this section.

(d) In school year 2001-2002 and in each school year thereafter, school districts shall pay a teacher with a master's degree and at least fifteen (15) years of experience one hundred fifty percent (150%) of the state minimum base salary.

(e)(1) In school year 1995-1996 and in each school year thereafter, each school district in the state shall have in place a salary schedule which provides at least fourteen (14) annual increments for experience.

(2) In school year 2001-2002 and in each school year thereafter, each school district in the state shall have in place a salary schedule which provides at least fifteen (15) annual increments for experience.

(3) In school year 2001-2002 and in each school year thereafter, each school district in the state shall have in place a salary schedule with at least the following minimum levels of compensation:

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17	<del>Years Experience</del>	BA Degree Salary	MA Degree Salary
18	θ	<del>\$21,860</del>	<del>\$25,139</del>
19	4	<del>22,304</del>	<del>25,649</del>
20	2	<del>22,748</del>	<del>26,159</del>
21	3	<del>23,192</del>	<del>26,669</del>
22	4	<del>23,636</del>	<del>27,179</del>
23	<del>5</del>	<del>24,080</del>	<del>27,689</del>
24	6	<del>24,524</del>	<del>28,199</del>
25	7	<del>24,968</del>	<del>28,709</del>
26	8	<del>25,412</del>	<del>29,219</del>
27	9	<del>25,856</del>	<del>29,729</del>
28	<del>10</del>	<del>26,300</del>	<del>30,239</del>
29	<del>11</del>	<del>26,744</del>	<del>30,749</del>
30	<del>12</del>	<del>27,188</del>	<del>31,259</del>
31	<del>13</del>	<del>27,632</del>	<del>31,769</del>
32	<del>14</del>	<del>28,076</del>	<del>32,279</del>
33	15 or more	<del>28,520</del>	<del>32,789</del>

(f) For the 1997-98 school year and for each year thereafter, each school district shall provide no less than four-hundred-dollar increments for experience for teachers with one (1) and two (2) years of experience.

1	(g) For the 1998-1999 school year and for each year thereafter, each
2	school district shall provide no less than four-hundred-dollar increments for
3	experience for teachers with three (3) and four (4) years of experience.
4	(h) For the 1999-2000 school year and for each year thereafter, each
5	school district shall provide no less than four-hundred-dollar increments for
6	experience for teachers with five (5) and six (6) years of experience.
7	(i) For the 2000-2001 school year and for each year thereafter, each
8	school district shall provide no less than four-hundred-dollar increments for
9	experience for teachers with seven (7) and eight (8) years of experience.
10	(j) For the 2001-2002 school year and for each year thereafter, each
11	school district shall provide no less than four-hundred-dollar increments for
12	experience for teachers with nine (9) and ten (10) years of experience.
13	(k) For the 2002-2003 school year and for each year thereafter, each
14	school district shall provide no less than four-hundred-dollar increments for
15	experience for teachers with eleven (11) and twelve (12) years of experience.
16	(1)(1) For the 2003-2004 school year and for each year thereafter,
17	each school district shall provide no less than four-hundred-dollar
18	increments for experience for teachers with thirteen (13) years of
19	experience.
20	(2) For the 2004-2005 school year and for each year thereafter,
21	each school district shall provide no less than four-hundred-dollar
22	increments for experience for teachers with fourteen (14) years of
23	experience.
24	(3) For the 2005-2006 school year and for each year thereafter,
25	each school district shall provide no less than four-hundred-dollar
26	increments for experience for teachers with fifteen (15) years of experience.
27	(m) Subsections $(f)$ - $(1)$ of this section shall not apply to any local
28	school district whose minimum salary for teachers exceeds twenty one thousand
29	eight hundred sixty dollars (\$21,860) and whose average salary exceeds the
30	state average salary for teachers for the previous year.
31	(n) As used in this section, "teacher" shall include any full-time
32	employee of a local public school district:
33	(1) Who is compelled by law to secure a license from the State
34	Board of Education as a condition precedent to employment in a position in or
35	related to grades prekindergarten through twelve (preK-12) of the public
36	schools of this state; and

1	(2) Who is:
2	(A) Engaged directly in instruction with students in a
3	classroom setting for more than seventy percent (70%) of the individual's
4	contracted time;
5	(B) A guidance counselor; or
6	(C) A librarian.
7	(o) All minimum salaries set forth in this section shall be for a
8	contract number of days that is not more than the number of days in the
9	school year required by the State Board of Education's regulations for
10	accreditation for the school year in which the contract is effective.
11	(p)(1) A district that determines that it cannot meet the minimum
12	salary requirements of this section from funds available may petition the
13	Department of Education for a waiver of the requirements of this section for
14	up to three (3) school years based on regulations promulgated by the State
15	Board of Education.
16	(2) The department shall not grant a waiver to any district that
17	is not in compliance with the uniform rate of tax requirements under Arkansas
18	Constitution, Amendment 74.
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21	SECTION 8. EMERGENCY CLAUSE. It is found and determined by the
22	General Assembly, that the provision of an equal opportunity for an adequate
23	education to all the citizens of the state is imperative; that additional
24	funds are immediately needed to provide an equal opportunity for an adequate
25	education; that this act is designed to provide the additional revenues
26	needed to provide this equal opportunity to all citizens; and that a delay in
27	the effective date of this act will cause irreparable harm upon the provision
28	of essential education opportunities and the proper administration of
29	educational programs. Therefore, an emergency is declared to exist and this
30	act being immediately necessary for the preservation of the public peace,
31	health, and safety shall be in full force and effect from and after the date
32	of March 1, 2004.
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34	/s/ Glover
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