

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 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: H2/16/05 H2/21/05

A Bill

HOUSE BILL 1526

5 By: Representative T. Hutchinson
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7

For An Act To Be Entitled

9 AN ACT TO DISTRIBUTE AD VALOREM TAX COLLECTED
10 FROM TRUCKING COMPANIES, BUS LINES, AIRLINES, AND
11 OTHER TRANSPORTATION COMPANIES TO ARKANSAS
12 *COUNTIES; TO PROVIDE FOR REIMBURSEMENT OF THE*
13 *LEGISLATIVE AUDITOR FOR COSTS OF COUNTY AUDITS;*
14 *AND FOR OTHER PURPOSES.*

Subtitle

15
16 AN ACT TO DISTRIBUTE AD VALOREM TAX
17 COLLECTED FROM TRUCKING COMPANIES, BUS
18 LINES, AIRLINES, AND OTHER
19 TRANSPORTATION COMPANIES TO ARKANSAS
20 *COUNTIES AND TO REIMBURSE LEGISLATIVE*
21 *AUDIT FOR COUNTY AUDITS.*
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Arkansas Code § 26-26-1616 is amended to read as follows:
28 26-26-1616. Disposition of taxes and penalties.

29 (a)(1) Except as provided in subsection (c) of this section, all taxes
30 and penalties collected under the provisions of § 26-26-1614 shall be
31 deposited in the State Treasury as trust fund income to the credit of the Ad
32 Valorem Tax Fund.

33 (2)(A) The State Treasurer shall annually transmit to the
34 respective county treasurers of the several counties of this state the
35 proportionate part of the fund coming from the source that the improved state
36 highway mileage in each county bears to the improved state highway mileage in



1 all counties, the highway mileage figures to be furnished by the Arkansas
2 State Highway and Transportation Department on request of the State
3 Treasurer.

4 ~~(B)(i) The respective county treasurers shall prorate the~~
5 ~~amount so received among the several county funds, school districts, and~~
6 ~~municipalities of the county in the same ratio that the taxes received from~~
7 ~~the millage levy by each bore to the total taxes from the millage levy~~
8 ~~received by all county funds, school districts, and municipalities, according~~
9 ~~to the local collector's settlement for the particular assessment year. Each~~
10 county treasurer shall prorate the tax distributed under this section so that
11 school districts and municipalities within the county receive the same
12 percentage of the tax that the school districts and municipalities received
13 from the millage levied by the school districts and municipalities according
14 to the local collector's settlement for the particular assessment year.

15 (ii) The tax remaining after the distribution in
16 subsection (a)(2)(B)(i) of this section shall be credited to the county road
17 fund to be used by the county in constructing, repairing, and maintaining
18 county roads.

19 (b)(1) So long as any agency of this state shall have the
20 function or be charged with the duty of ~~making audits of the records and~~
21 ~~accounts of the officers and employees of counties, municipalities, or school~~
22 ~~districts or so long as any agency of this state shall have the function or~~
23 ~~be charged with the duty of~~ assessing the property referred to in this
24 subchapter or so long as any agency of this state shall have the function or
25 be charged with the duty of furnishing guidance, instruction, and assistance
26 to the county assessor in the performance of his duties, then the aggregate
27 total amount expended by this state in the performance and carrying out of
28 the functions and duties ~~indicated~~ described in this subsection (b) shall be
29 a proper charge against the taxes and penalties credited to the fund under
30 subsection (a) of this section.

31 (2) It shall be the duty of the Chief Fiscal Officer of the
32 State to annually determine the amount of these costs and to certify to the
33 State Treasurer the amount that the aggregate of the taxes and penalties
34 exceeds these costs in order that the excess may be transmitted to the
35 respective county treasurers as provided in this section.

36 (c)(1) The first one hundred thousand dollars (\$100,000) collected in

1 taxes and penalties under § 26-26-1614 during each fiscal year shall be
2 deposited to the State Treasury as nonrevenue receipts credited to the State
3 Central Services Fund for use by the Revenue Division of the Department of
4 Finance and Administration.

5 (2) No funds collected pursuant to § 26-26-1614 shall be
6 withheld by the state if those funds were collected under the authority of
7 Arkansas Constitution, Amendment 74, Part (b)(1).

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9 *SECTION 2. Arkansas Code § 10-4-202 is amended to read as follows:*
10 *10-4-202. Audits authorized - Independent audits.*

11 *(a)(1) The Legislative Auditor has the power and duty, acting through*
12 *his or her duly authorized employees, to conduct audits of the records and*
13 *accounts of all officials or employees of counties, municipalities, school*
14 *districts, county school boards, and educational cooperatives.*

15 *(2) In the alternative, upon approval of the Legislative Joint*
16 *Auditing Committee, the Legislative Auditor may conduct:*

17 *(A) A compilation or a report of agreed-upon procedures of*
18 *the records and accounts of all officials or employees of incorporated towns;*
19 ~~*or*~~

20 *(B) A report of agreed-upon procedures of cities of the*
21 *second class; or*

22 *(C) A report of agreed-upon procedures of counties.*

23 *(b)(1) Nothing contained in subsection (a) of this section shall be so*
24 *construed as to abridge the right of any school district, any educational*
25 *cooperative, any county, or any municipality to choose and employ accountants*
26 *licensed and in good standing with the Arkansas State Board of Public*
27 *Accountancy to conduct these audits in accordance with Government Auditing*
28 *Standards issued by the Comptroller General of the United States.*

29 *(2) In the alternative, with the approval of the Committee:*

30 *(A) An incorporated town may employ such licensed*
31 *accountants to conduct a compilation or a report of agreed-upon procedures as*
32 *provided in subdivision (b)(2)(B) of this section in accordance with*
33 *standards issued by the American Institute of Certified Public Accountants;*
34 *or*

35 *(B)(i) A city of the second class or a county may employ*
36 *such licensed accountants to conduct and prepare a report of agreed-upon*

1 procedures.

2 (ii) The agreed-upon procedures and format of the
3 report shall be prescribed by the Legislative Auditor and shall include at a
4 minimum:

5 (a) A reconciliation and confirmation of cash;

6 (b) A cash basis balance sheet;

7 (c) A statement of cash receipts and
8 disbursements; and

9 (d) A report on compliance with certain
10 Arkansas laws.

11 (3)(A) A certified copy of each audit, compilation, or agreed-
12 upon procedures report shall be filed with the Division of Legislative Audit
13 in a timely manner after completion of the report.

14 (B) All compilation reports and reports of agreed-upon
15 procedures allowed in this section shall be presented to the appropriate
16 governing body in the same manner as audit reports.

17 (c)(1) If a county does not obtain an independent audit of its records
18 under subsection (b) of this section and the Legislative Auditor determines
19 that an audit is required, the county quorum court shall reimburse the
20 Legislative Auditor for the actual cost of performing the audit. The cost of
21 performing the audit shall be based upon the time spent conducting the audit,
22 the salaries of employees assigned to the audit, and mileage or other
23 employee expenses paid by the Legislative Auditor.

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25 /s/ T. Hutchinson
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