

1 State of Arkansas  
2 85th General Assembly  
3 First Extraordinary Session, 2006  
4

Call Item 14

# A Bill

HOUSE BILL 1009

5 By: Representative Elliott  
6 By: Senator Argue  
7

## For An Act To Be Entitled

10 AN ACT TO ADDRESS THE ISSUES RAISED IN THE MOST  
11 RECENT LAKEVIEW OPINION REGARDING THE NINETY-  
12 EIGHT PERCENT (98%) COLLECTION RATE FOR PROPERTY  
13 TAXES BY CREATING A MECHANISM TO PROVIDE FOR  
14 UNIFORM ACCOUNTING BY ADOPTING A STATEWIDE SET OF  
15 REPORTING INSTRUCTIONS FOR EACH COUNTY; TO ALLOW  
16 THE ASSESSMENT COORDINATION DEPARTMENT TO CREATE  
17 A UNIFORM STATEWIDE SET OF INSTRUCTIONS FOR  
18 REPORTING COUNTY PROPERTY TAX COLLECTION  
19 INFORMATION; AND FOR OTHER PURPOSES.  
20

## Subtitle

21 TO ADDRESS THE ISSUES RAISED IN THE MOST  
22 RECENT LAKEVIEW OPINION REGARDING THE  
23 NINETY-EIGHT PERCENT (98%) COLLECTION  
24 RATE FOR PROPERTY TAXES.  
25  
26  
27

28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
29

30 SECTION 1. Arkansas Code § 6-20-2202(g), regarding the budget and  
31 expenditure reports prepared by school districts, is amended to read as  
32 follows:

33 (g)(1) The Treasurer of State shall withhold the monthly distribution  
34 of county aid provided under § 19-5-602(c) from any county whose ~~county clerk~~  
35 county official who is the preparer of the tax books fails to provide by  
36 March 15 of each calendar year information ~~to the department~~ concerning the



1 annual abstract of assessment that reflects the aggregate value of the real  
2 and personal property for each school district located wholly or in part in  
3 the county as follows:

4 (A) If the county is capable of providing the information  
5 electronically, then the information shall be provided to both the Department  
6 of Education and the Assessment Coordination Department; and

7 (B) If the county is not capable of providing the  
8 information electronically, then the information shall be provided only to  
9 the Assessment Coordination Department.

10 (2) The information transmitted to the department shall also  
11 include:

12 (A) The previous calendar year's property assessment that  
13 will be used for ad valorem tax collections in the current year; and

14 (B) The millage rates, which shall be listed by the type  
15 of millage, levied against that property assessment.

16  
17 SECTION 2. Arkansas Code Title 26, Chapter 26, is amended to add an  
18 additional subchapter to read as follows:

19 **Subchapter 20.**

20 **Coordination of Uniform Reporting.**

21 26-26-2001. Uniform reporting requirements.

22 (a) The county official who is the preparer of the tax books shall  
23 annually report to the Assessment Coordination Department and the State Board  
24 of Education the county's property tax assessment, settlement, and collection  
25 information as provided under this section.

26 (b)(1) By June 15, 2006, the Assessment Coordination Department shall  
27 adopt and implement by rules a statewide set of instructions for reporting  
28 county property tax assessment, settlement, and collection information.

29 (2) In developing the statewide set of instructions, the  
30 Assessment Coordination Department shall:

31 (A) Collaborate with the Division of Legislative Audit,  
32 State Board of Education, the Department of Education, the Commissioner of  
33 State Lands, and the appropriate county officials;

34 (B) Consider the comments and suggestions from school  
35 districts and other interested parties; and

36 (C) Comply with the Arkansas Administrative Procedure Act,

1 § 25-15-201 et seq., which may include the adoption of emergency rules as  
 2 necessary to comply with the June 15, 2006, deadline under subdivision (b)(1)  
 3 of this section.

4 (c) The statewide set of instructions shall address issues relating to  
 5 the property tax assessment, settlement, and collection processes to assure  
 6 uniformity in reporting. In addition to any other instructions relevant to  
 7 the processes, the statewide set of instructions shall include how to report  
 8 items related to the county collector’s original charge or assessed value  
 9 used to determine state foundation funding aid under the Public School  
 10 Funding Act of 2003, § 6-20-2301 et seq.

11 (d)(1)(A) By November 15, 2006, the Assessment Coordination Department  
 12 shall present its preliminary report to the House Interim Committee on  
 13 Revenue and Taxation, the Senate Interim Committee on Revenue and Taxation,  
 14 the House Interim Committee on Education, and the Senate Interim Committee on  
 15 Education regarding the implementation of this section.

16 (B) The preliminary report shall include:

17 (i) The proposed or promulgated rules;

18 (ii) The status of implementing the rules; and

19 (iii) If the rules have been implemented, a list of  
 20 the counties that have complied with the rules.

21 (2) By December 15 of each following year, the Assessment  
 22 Coordination Department shall present an update to the preliminary report  
 23 that shall include:

24 (A) Any changes to the rules;

25 (B) The status of implementing the rules;

26 (C) A list of the counties that have complied with the  
 27 rules; and

28 (D) Any additional information requested by a chair of a  
 29 committee to be included in the update.

30  
 31 SECTION 3. Arkansas Code Title 25, Chapter 28, Subchapter 1 is amended  
 32 to add an additional section to read as follows:

33 25-28-109. Additional authority.

34 The Assessment Coordination Department shall promulgate the necessary  
 35 rules to fully implement the provisions of uniform reporting requirements as  
 36 required under § 26-26-2001 with input from all of the following:

- 1           (1) The State Board of Education;
- 2           (2) The Department of Education;
- 3           (3) The Division of Legislative Audit;
- 4           (4) The Commissioner of State Lands;
- 5           (5) The appropriate county officials; and
- 6           (6) The appropriate school district officials.

7

8           SECTION 4. EMERGENCY CLAUSE. It is found and determined by the  
 9 General Assembly of the State of Arkansas that the Arkansas Supreme Court  
 10 declared the public school funding system to be inadequate and that the  
 11 public schools are operating under a constitutional infirmity which must be  
 12 corrected immediately; that to correct the constitutional infirmity and to  
 13 ensure adequate funding for public education, the General Assembly must have  
 14 more accurate and timely information regarding the assessment, settlement,  
 15 and collection of property taxes by the counties; and that this act is  
 16 necessary to allow the Assessment Coordination Department, the Department of  
 17 Education, and the counties sufficient time to make all necessary rules,  
 18 adjustments, calculations, and reports that will be necessary prior to the  
 19 convening of the 86th General Assembly. Therefore, an emergency is declared  
 20 to exist and this act being necessary for the preservation of the public  
 21 peace, health, and safety shall become effective on:

- 22           (1) The date of its approval by the Governor;
- 23           (2) If the bill is neither approved nor vetoed by the Governor,  
 24 the expiration of the period of time during which the Governor may veto the  
 25 bill; or
- 26           (3) If the bill is vetoed by the Governor and the veto is  
 27 overridden, the date the last house overrides the veto.