

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

Call Item 5

A Bill

HOUSE BILL 1015

5 By: Representative Maloch
6 By: Senator Broadway
7

For An Act To Be Entitled

10 AN ACT TO AMEND VARIOUS PROVISIONS OF THE
11 ARKANSAS CODE RELATED TO PUBLIC SCHOOL FINANCE;
12 TO DETERMINE WHETHER IMPROVEMENTS MAY BE MADE TO
13 LIMIT THE USE OF PUBLIC SCHOOL FUNDS TO PROVIDE
14 SERVICES OR MAINTAIN OPERATIONS THAT ARE NOT
15 DIRECTLY RELATED TO EDUCATING CHILDREN IN PUBLIC
16 SCHOOLS; TO ASSIST FUNDING FOR PUBLIC SCHOOLS,
17 CITIES, AND COUNTIES BY PROVIDING FOR THE COSTS
18 OF MANDATED, COUNTY-WIDE REAPPRAISALS; AND FOR
19 OTHER PURPOSES.

Subtitle

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22 TO AMEND VARIOUS PROVISIONS OF THE
23 ARKANSAS CODE RELATED TO PUBLIC SCHOOL
24 FINANCE TO DETERMINE WHETHER
25 IMPROVEMENTS MAY BE MADE TO LIMIT THE
26 USE OF PUBLIC SCHOOL FUNDS FOR PURPOSES
27 OTHER THAN EDUCATION.
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30 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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32 SECTION 1. Arkansas Code Title 6, Chapter 20, Subchapter 23 is amended
33 to add an additional section to read as follows:

34 6-20-2307. Use of public school funding.

35 (a) The General Assembly has determined that the State Board of
36 Education, the Department of Education, public schools, and counties shall



1 examine methods, policies, rules, and practices to determine whether:

2 (1) Improvements may be made to limit the use of public school
3 funds to provide services or maintain operations that are not directly
4 related to educating children in public schools; and

5 (2) Additional sources of revenue other than public school funds
6 can be found to provide services or maintain operations that are not directly
7 related to educating children in public schools.

8 (b) Beginning October 1, 2006, and each subsequent year thereafter,
9 the Department of Education shall report the findings under this section to
10 the Senate Interim Committee on Education and the House Interim Committee on
11 Education.

12
13 SECTION 2. Uncodified Section 7 of Act 2090 of 2005 is amended to read
14 as follows:

15 SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR
16 PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. FUND TRANSFER.

17 (a) To provide funding for the appropriations authorized herein, the
18 Director of the Assessment Coordination Department of the State of Arkansas
19 shall certify monthly to the Chief Fiscal Officer of the State, the amount of
20 funding needed each month to pay counties and professional reappraisal
21 companies for the reappraisal of real property as required by law.

22 (b) Upon receipt of such certification the Chief Fiscal Officer of the
23 State shall transfer on his books and those of the State Treasurer as
24 follows:

25 (1) Beginning July 1, 2005, through December 30, 2006, seventy-
26 six percent ~~76%~~ (76%) of the amounts certified by the Assessment Coordination
27 Department from the Department of Education Public School Fund Account,
28 sixteen percent ~~16%~~ (16%) of the amount certified from the County Aid Fund,
29 and eight percent ~~8%~~ (8%) of the amount certified from the Municipal Aid Fund
30 to the Arkansas Real Property Reappraisal Fund.

31 (2)(A) On December 31, 2006, the Chief Fiscal Officer shall
32 transfer on his books from the amounts certified from the remaining excess
33 funds calculated under Arkansas Code § 26-26-310(b)(2)(C)(i) of the Property
34 Tax Relief Trust Fund the sum of Fourteen Million Two Hundred Fifty Thousand
35 Dollars (\$14,250,000) to the Arkansas Real Property Reappraisal Fund, § 19-5-
36 1096.

1 (B) If insufficient funds are available in the Property
2 Tax Relief Trust Fund to fully fund the monthly amounts certified by the
3 Assessment Coordination Department, then the Chief Fiscal Officer shall
4 transfer on his books the amount needed each month to fully fund the monthly
5 amounts certified by the Assessment Coordination Department to the Arkansas
6 Real Property Reappraisal Fund as follows:

7 (i) Seventy-six percent (76%) of the amounts
8 certified from the Department of Education Public School Fund Account;

9 (ii) Sixteen percent (16%) of the amount certified
10 from the County Aid Fund; and

11 (iii) Eight percent (8%) of the amount certified
12 from the Municipal Aid Fund.

13 (c) In no event shall the total amount of funds transferred as
14 authorized herein exceed fourteen million two hundred fifty thousand dollars
15 (\$14,250,000) during each year of the 2005-07 biennium.

16 (d) The provisions of this section shall be in effect only from July
17 1, 2005, through June 30, 2007.

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19 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
20 General Assembly of the State of Arkansas that the Arkansas Supreme Court
21 found that the public school funding system continues to be inadequate and
22 the public schools are operating under a constitutional infirmity which must
23 be corrected immediately; that to correct the constitutional infirmity and to
24 provide adequate funding for public education, the amount of funding provided
25 to school districts must be examined; and that this act is immediately
26 necessary to allow the Department of Education, the State Board of Education,
27 public schools, and counties to examine the methods, policies, rules, and
28 practices to determine whether public school funds are being used to provide
29 services or maintain operations that are not directly related to educating
30 children in public schools, examine other sources of funding for these
31 services or operations, and report their findings to the General Assembly.
32 Therefore, an emergency is declared to exist and this act being immediately
33 necessary for the preservation of the public peace, health, and safety shall
34 become effective on:

35 (1) The date of its approval by the Governor;

36 (2) If the bill is neither approved nor vetoed by the Governor,

1 the expiration of the period of time during which the Governor may veto the
2 bill; or

3 (3) If the bill is vetoed by the Governor and the veto is
4 overridden, the date the last house overrides the veto.

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