

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

Call Item 5

# A Bill

HOUSE BILL 1045

5 By: Representative Maloch  
6 By: Senator Broadway  
7  
8

## 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; TO CREATE  
19 THE REAPPRAISAL FINANCE FUND; AND FOR OTHER  
20 PURPOSES.

## Subtitle

21  
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.  
28  
29  
30

31 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
32

33 SECTION 1. Arkansas Code Title 6, Chapter 20, Subchapter 23 is amended  
34 to add an additional section to read as follows:

35 6-20-2307. Use of public school funding.

36 (a) The General Assembly has determined that the State Board of



1 Education, the Department of Education, public schools, counties, and  
2 municipalities shall examine methods, policies, rules, and practices to  
3 determine whether:

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

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

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

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

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

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

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

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

33 (2)(A)(i) The funds attributable to sales and use taxes levied  
34 prior to August 1, 2006, shall not be transferred from the Property Tax  
35 Relief Trust Fund to the Arkansas Real Property Reappraisal Fund or the  
36 Reappraisal Finance Fund.

1                   (ii) On December 31, 2006, the Chief Fiscal Officer  
2 shall transfer on his books from the amounts certified from the remaining  
3 excess funds calculated under Arkansas Code § 26-26-310(b)(2)(C)(i) of the  
4 Property Tax Relief Trust Fund the sum of Seven Million Five Hundred Thousand  
5 Dollars (\$7,500,000) to the Arkansas Real Property Reappraisal Fund, § 19-5-  
6 1096, and Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000) to  
7 the Reappraisal Finance Fund.

8                   (B) If insufficient funds are available in the Property  
9 Tax Relief Trust Fund to fully fund the monthly amounts certified by the  
10 Assessment Coordination Department, then the Chief Fiscal Officer shall  
11 transfer on his books the amount needed each month to fully fund the monthly  
12 amounts certified by the Assessment Coordination Department to the Arkansas  
13 Real Property Reappraisal Fund as follows:

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

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

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

20                   (c) In no event shall the total amount of funds ~~transferred as~~  
21 authorized herein disbursed from the Arkansas Real Property Reappraisal Fund  
22 exceed fourteen million two hundred fifty thousand dollars (\$14,250,000)  
23 during each year of the 2005-07 biennium.

24                   (d) The provisions of this section shall be in effect only from July  
25 1, 2005, through June 30, 2007.

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27                   SECTION 3. Arkansas Code Title 19, Chapter 5, Subchapter 12 is amended  
28 to add an additional section to read as follows:

29                   19-5-1230. Reappraisal Finance Fund.

30                   (a) There is created on the books of the Treasurer of State, Auditor  
31 of State, and Chief Fiscal Officer of the State a fund to be known as the  
32 “Reappraisal Finance Fund”.

33                   (b) The fund shall consist of revenues as may be authorized by law.

34                   (c) The fund shall be used by the Assessment Coordination Department  
35 to fund mandated county-wide reappraisals as provided by law.

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