

State of Arkansas
88th General Assembly
Regular Session, 2011

A Bill

HOUSE BILL 1435

By: Representatives King, Westerman, Johnston, Clemmer, English, Hobbs, D. Hutchinson, Kerr,
Sanders

By: Senators B. Sample, Burnett, J. Hutchinson, Rapert

For An Act To Be Entitled

AN ACT TO ALLOW A SCHOOL DISTRICT TO KEEP ANY EXCESS
UNIFORM RATE OF TAX COLLECTION REVENUES THAT REMAIN
AFTER FULLY FUNDING STUDENT FOUNDATION FUNDING FOR
THE SCHOOL DISTRICT FROM THE UNIFORM RATE OF TAX
COLLECTION; AND FOR OTHER PURPOSES.

Subtitle

TO ALLOW A SCHOOL DISTRICT TO KEEP ANY
EXCESS UNIFORM RATE OF TAX COLLECTION
REVENUES THAT REMAIN AFTER FULLY FUNDING
STUDENT FOUNDATION FUNDING FOR THE SCHOOL
DISTRICT FROM THE UNIFORM RATE OF TAX
COLLECTION.

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

SECTION 1. Arkansas Code § 6-20-2305(a)(4)(B) and (C), concerning
uniform rate of tax revenues, is amended to read as follows:

(B) For a school district whose net revenues are more than
the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied
by the property assessment of the school district and the school district
received state foundation funding aid, the Department of Education, under ~~the~~
~~authority of~~ § 6-20-2306, shall recoup from the school district an amount
equal to the difference between:

(i) The net revenues of the school district; and



1 (ii) The sum of ninety-eight percent (98%) of the
2 uniform rate of tax multiplied by the property assessment of the school
3 district.

4 (C) Beginning with the 2009-2010 school year, a school
5 district whose net revenues from the uniform rate of tax are sufficient to
6 cover foundation funding without state foundation funding aid may retain all
7 uniform-rate-of-tax revenues collected for the benefit of the school
8 district.

9 ~~(G)(D)~~(i) Data to verify the timely receipt of revenues
10 applicable to the required ninety-eight percent (98%) of the uniform rate of
11 tax multiplied by the property assessment of the school district shall be
12 collected annually by the Department of Education in cooperation with the
13 Assessment Coordination Department.

14 (ii)(a) Data may be appropriately adjusted by the
15 Department of Education if it is determined that irregular distributions by a
16 county treasurer of excess commissions cause a school district's property tax
17 collection rate from the uniform rate of tax to exceed ninety-eight percent
18 (98%).

19 (b) The Department of Education may adjust the
20 uniform rate of tax from an irregular distribution to an amount not in excess
21 of ninety-eight percent (98%) and apply the excess distribution amount the
22 following school year.

23 (iii) Evidence of irregular distributions shall be
24 in the form required by the Department of Education.

25
26 SECTION 2. Arkansas Code § 19-5-305(b), concerning the Public School
27 Fund, is amended to read as follows:

28 (b) The Public School Fund shall consist of those moneys as may be
29 provided by:

30 (1) The Revenue Stabilization Law, § 19-5-101 et seq.;

31 (2) Any federal mineral leasing funds, federal forest reserve
32 funds, federal flood control funds, or any other similar turnback funds in
33 the State Treasury for which the eligible county or school district cannot be
34 identified;

35 (3) Fines collected pursuant to § 6-21-410 under the Free
36 Textbook Act of 1975, § 6-21-401 et seq.;

1 (4) Funds remitted by county treasurers for those school
2 districts ~~which have local revenue per student in excess of the local base~~
3 ~~per student~~, as set out in § 26-80-101(c);

4 (5) Amusement machine revenues up to and including thirty
5 thousand dollars (\$30,000), as set out in § 26-57-407;

6 (6) Additional rental vehicle tax revenues in excess of two
7 million eight hundred ~~and~~ fifty thousand dollars (\$2,850,000), as set out in
8 § 26-63-302, to be used exclusively for teacher salaries; and

9 (7) Such other funds as may be authorized by law.

10
11 SECTION 3. Arkansas Code § 26-80-202(b)(1)(A) and (B), concerning the
12 uniform rate of tax, is amended to read as follows:

13 (b)(1)(A) The uniform rate of tax shall be assessed and collected in
14 the same manner as other school property taxes, but the net revenues from the
15 uniform rate of tax shall be remitted to the Treasurer of State and
16 distributed by the state to the county treasurer of each county for
17 distribution to the school districts in that county as provided by subsection
18 (c) of this section.

19 (B) ~~No portion of the revenues~~ Revenues from the uniform
20 rate of tax shall not be retained by the state but shall be distributed back
21 to the school district from which the revenues were received ~~or to other~~
22 ~~school districts pursuant to~~ under subsection (c) of this section.