

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

As Engrossed: S3/7/19

A Bill

SENATE BILL 447

5 By: Senator J. Hendren
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING PROPERTY TAX
9 RELIEF AND THE PROPERTY TAX RELIEF TRUST FUND; TO
10 INCREASE THE HOMESTEAD PROPERTY TAX CREDIT; TO
11 MAINTAIN FUNDING FOR CURRENT PROPERTY TAX RELIEF AND
12 BROADER-BASED TAX RELIEF; TO PROVIDE FOR THE USE OF
13 THE EXCESS FUNDS IN THE PROPERTY TAX RELIEF TRUST
14 FUND FOR ADDITIONAL PURPOSES; TO PROVIDE FOR
15 ADDITIONAL DISTRIBUTIONS FROM THE PROPERTY TAX RELIEF
16 TRUST FUND; TO DECLARE AN EMERGENCY; AND FOR OTHER
17 PURPOSES.

Subtitle

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21 TO INCREASE THE HOMESTEAD PROPERTY TAX
22 CREDIT; TO MAINTAIN FUNDING FOR CURRENT
23 PROPERTY TAX RELIEF; TO PROVIDE FOR THE
24 USE OF THE EXCESS FUNDS IN THE PROPERTY
25 TAX RELIEF TRUST FUND; AND TO DECLARE AN
26 EMERGENCY.

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29 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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31 SECTION 1. Arkansas Code § 26-26-310(b)(2)(C), concerning the Property
32 Tax Relief Trust Fund and the certification of the amount of property tax
33 reduction, is amended to read as follows:

34 (C)(i) On or before December 31 of each year, the Chief
35 Fiscal Officer of the State, in cooperation with the Legislative Council and
36 the Legislative Auditor, shall determine that portion of the balance



1 remaining in the Property Tax Relief Trust Fund that is in excess of the
2 required reimbursement to the counties and shall certify the excess to the
3 Treasurer of State.

4 (ii) Beginning December 31, 2005, and on December 31
5 of each subsequent year, the Treasurer of State shall:

6 (a) ~~Calculate an amount equal to one percent~~
7 ~~(1%) of the amount of the excess funds certified in subdivision (b)(2)(G)(i)~~
8 ~~of this section;~~

9 (b) ~~Calculate each county's proportionate~~
10 ~~share of the amount calculated in subdivision (b)(2)(G)(ii)(a) of this~~
11 ~~section one million dollars (\$1,000,000) based on the proportions used to~~
12 ~~reimburse the county for property tax reductions under subsection (a) of this~~
13 ~~section; and~~

14 (c) ~~(b)~~ Transfer the amount calculated under
15 subdivision ~~(b)(2)(G)(ii)(b)~~ (b)(2)(C)(ii)(a) of this section to the county
16 treasurer for allocation to the county assessor for use by the county
17 assessor for the costs of administering Arkansas Constitution, Amendment 79,
18 including without limitation costs for personnel, equipment, services, and
19 postage used in the administration of Arkansas Constitution, Amendment 79;

20 (c) Distribute two million dollars
21 (\$2,000,000) from the Property Tax Relief Trust Fund to the counties in the
22 state using the formula stated in § 19-5-602(c)(1); and

23 (d) Distribute two million dollars
24 (\$2,000,000) from the Property Tax Relief Trust Fund to the municipalities in
25 the state using the formula stated in § 19-5-601(c).

26 (iii)(a) ~~These funds shall be used by the county~~
27 ~~assessor for the costs of administering Arkansas Constitution, Amendment 79.~~

28 (b) ~~These costs include personnel, equipment,~~
29 ~~services, and postage used in the administration of Arkansas Constitution,~~
30 ~~Amendment 79.~~

31 (D)(i)(a) For calendar year 2019, by the last business day
32 of each month following the effective date of this act, the Chief Fiscal
33 Officer of the State shall certify to the Treasurer of State the total amount
34 of moneys credited to the Property Tax Relief Trust Fund since the effective
35 date of this act.

36 (b) For calendar years after 2019, by the last

1 business day of each month, the Chief Fiscal Officer of the State shall
2 certify to the Treasurer of State the total amount of moneys credited to the
3 Property Tax Relief Trust Fund for the year.

4 (ii) The Chief Fiscal Officer of the State shall
5 determine annually the estimated amount needed to fund the distributions
6 required under subdivision (b)(2)(C) of this section for the next year.

7 (iii) When the amount certified by the Chief Fiscal
8 Officer of the State under subdivision (b)(2)(D)(i) of this section exceeds
9 the amount determined under subdivision (b)(2)(D)(ii) of this section for the
10 year:

11 (a)(1) By July 1, 2019, the Treasurer of State
12 shall make a one-time transfer of eight million two hundred forty-six
13 thousand five hundred seventy-three dollars (\$8,246,573) to the County Voting
14 System Grant Fund.

15 (2) The transfer required under
16 subdivision (b)(2)(D)(iii)(a)(1) of this section shall occur as soon as
17 practicable after July 1, 2019, if, by July 1, 2019, the amount certified by
18 the Chief Fiscal Officer of the State under subdivision (b)(2)(D)(i) of this
19 section does not exceed the amount determined under subdivision (b)(2)(D)(ii)
20 of this section by the full amount required for the transfer under
21 subdivision (b)(2)(D)(iii)(a)(1) of this section; and

22 (b) Except as provided in subdivision
23 (b)(2)(D)(iii)(a) of this section, the revenues credited to the Property Tax
24 Relief Trust Fund in excess of the amount determined under subdivision
25 (b)(2)(D)(ii) of this section shall be transferred from the Property Tax
26 Relief Trust Fund to the General Revenue Fund Account of the State
27 Apportionment Fund to be distributed as authorized under § 19-5-
28 202(b)(2)(B)(iii).

29 ~~*(iv) The remaining excess funds may be used in*~~
30 ~~*accordance with subsequent legislation to provide additional tax relief or*~~
31 ~~*financial assistance to school districts that incur a reduction in revenue as*~~
32 ~~*a direct result of Arkansas Constitution, Amendment 79.*~~

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34 SECTION 2. Arkansas Code § 26-26-1118(a)(1)(A), concerning the
35 homestead property tax credit and the limitation on the increase of a
36 property's assessed value for property tax purposes, is amended to read as

1 follows:

2 (a)(1)(A) There is established a homestead property tax credit for
3 each assessment year that reduces the amount of real property taxes assessed
4 on the homestead of each property owner by ~~three hundred fifty dollars (\$350)~~
5 three hundred seventy-five dollars (\$375).

6
7 SECTION 3. EFFECTIVE DATE. Section 2 of this act is effective for
8 assessment years beginning on or after January 1, 2019.

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10 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
11 General Assembly of the State of Arkansas that the Property Tax Relief Trust
12 Fund has excess revenues that are not being used efficiently by the state;
13 that it would assist in the effective and efficient administration of
14 government to more fully utilize available state revenues for important
15 purposes and programs in the state; that it is in the best interest of the
16 state to use existing revenues in a fiscally responsible manner rather than
17 increasing the burden on Arkansas residents; and that this act is immediately
18 necessary because expanding the use of the state revenue in the Property Tax
19 Relief Trust Fund will allow the state to more effectively use existing state
20 revenue to address immediate concerns in the state. Therefore, an emergency
21 is declared to exist, and this act being immediately necessary for the
22 preservation of the public peace, health, and safety shall become effective
23 on:

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

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/s/J. Hendren