

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
89th General Assembly  
Regular Session, 2013

# A Bill

SENATE BILL 425

By: Senators D. Johnson, E. Cheatham, Elliott, J. Hendren, Holland, U. Lindsey, B. Pierce  
By: Representatives Dale, C. Armstrong, Catlett, Cozart, Deffenbaugh, J. Dickinson, Hobbs, Hopper, Jett, Lampkin, Lea, Lenderman, Lowery, McLean, Murdock, Perry, Ratliff, Talley, Wardlaw, Wren

## For An Act To Be Entitled

AN ACT TO AMEND THE DISTRIBUTION OF STATE FUNDING TO SCHOOL DISTRICTS BASED ON NINETY-EIGHT PERCENT (98%) OF THE SCHOOL DISTRICT ASSESSMENT FOR THE UNIFORM RATE OF TAX; AND FOR OTHER PURPOSES.

## Subtitle

TO AMEND THE DISTRIBUTION OF STATE FUNDING TO SCHOOL DISTRICTS BASED ON 98% OF THE SCHOOL DISTRICT ASSESSMENT FOR THE UNIFORM RATE OF TAX.

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

SECTION 1. Arkansas Code § 6-20-2303(21), concerning the definition of "state foundation funding aid," is amended to read as follows:

(21) "State foundation funding aid" means the amount of state financial aid provided to ~~each~~ a school district under § 6-20-2305(a)(4) ~~and computed as the difference between the foundation funding amount established by the General Assembly and the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district plus the miscellaneous funds of the school district;~~

SECTION 2. Arkansas Code § 6-20-2305(a)(4), concerning school funding, is amended to read as follows:

(4)(A)(i) ~~By~~ Except as provided in subdivisions (4)(C) and (D)



of this section, by the end of each school fiscal year, for a school district whose net revenues are less than the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district, the Department of Education shall distribute to the school district the difference between:

~~(i)(a)~~ The net revenues distributed to the school district as reported under § 26-80-101(b)(4)(A)(ii) for the calendar year immediately preceding the current school year; and

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

(ii) The Department of Education may distribute to the school district a lesser amount than required under subdivisions (a)(4)(A)(i)(a) and (b) if after the lesser amount is distributed the school district will receive the foundation funding amount under § 6-20-2305(a).

(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, 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

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

(C) The Department of Education shall not distribute to a school district the funds under subdivision (a)(4)(A)(i) of this section if, regardless of the school district's tax collection rate, the school district's net revenues meet or exceed the foundation funding amount set forth in § 6-20-2305(a).

~~(C)(i)(D)(i) Data A school district shall submit annually to the Department of Education data to verify the timely receipt of revenues applicable to the required ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district shall be received annually by the Department of Education under § 26-80-101(b)(4)(A)(ii).~~

~~(ii)(a) Data may be appropriately adjusted by the~~

~~Department of Education if it is determined~~ The Department of Education may adjust data appropriately if it determines that irregular distributions by a county treasurer of excess commissions cause a school district's property tax collection rate from the uniform rate of tax to exceed ninety-eight percent (98%).

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

(iii) Evidence of overlapping revenue reporting or irregular distributions shall be provided in the form required by the Department of Education.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the Arkansas Constitution requires the State of Arkansas to provide a general, suitable, and efficient system of public education that provides a substantially equal opportunity for an adequate education to all public school students; that school districts prepare their annual budgets based upon the distribution of funds under § 6-20-2305(a)(4); and that, in order to ensure that a substantially equal opportunity for an adequate education is provided, this act is immediately necessary so that a school district may prepare its budgets for the 2013-2014 school year based upon the new law. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

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

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill;  
or

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