

State of Arkansas
89th General Assembly
First Extraordinary Session, 2013

A Bill

Call Item 6
SENATE BILL 1

By: Senator B. Sample
By: Representative Westerman

For An Act To Be Entitled

AN ACT CONCERNING THE UNIFORM RATE OF TAX; TO AMEND THE PROVISIONS REGARDING THE USE AND DISTRIBUTION OF THE REVENUES GENERATED BY THE UNIFORM RATE OF TAX; TO CREATE A PROPERTY TAX CREDIT FUNDED BY EXCESS REVENUE RECEIVED FROM THE UNIFORM RATE OF TAX; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE PROVISIONS REGARDING THE USE AND DISTRIBUTION OF THE REVENUES GENERATED BY THE UNIFORM RATE OF TAX; AND TO CREATE A PROPERTY TAX CREDIT FUNDED BY EXCESS REVENUE RECEIVED FROM THE UNIFORM RATE OF TAX.

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

SECTION 1. Arkansas Code § 26-80-101(b)(1), concerning the uniform rate of tax, is amended to read as follows:

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

(B) No portion of the revenues from the uniform rate of



tax shall be retained by the state but shall be distributed back to the school district from which the revenues were received pursuant to subsection (c) of this section or to ~~other school districts~~ the relevant county pursuant to subsection ~~(e)~~ (e) of this section.

(C) No additional fees or charges shall be assessed at the local level for transmission and redistribution of these funds.

(D) The revenues ~~to~~ distributed to the school districts shall be used by the school districts solely for maintenance and operation of schools.

SECTION 2. Arkansas Code § 26-80-101(c), concerning the uniform rate of tax, is amended to read as follows:

(c) ~~For~~ Except as provided in subsection (e) of this section, for each school year, each county treasurer shall remit the net revenues from the uniform rate of tax to each local school district from which the revenues were derived.

SECTION 3. Arkansas Code § 26-80-101, concerning the uniform rate of tax, is amended to add an additional subsection to read as follows:

(e)(1) If the net revenues from the uniform rate of tax remitted to the Treasurer of State are in excess of the foundation funding amount for the applicable school year as established by the General Assembly under § 6-20-2305, the state shall identify the excess net revenues from the uniform rate of tax by school district and distribute the excess net revenues as follows:

(A)(i) One percent (1%) of the excess net revenues shall be transferred to the Educational Facilities Partnership Fund Account to be distributed to the school districts from which the revenues were derived for the funding of qualifying educational facilities projects within the school district.

(ii) Subdivision (e)(1)(A)(i) of this section expires on June 30, 2015.

(B) The excess net revenues remaining after the transfer under subdivision (e)(1)(A)(i) of this section shall be distributed to the appropriate county treasurer.

(2) If growth in student population in a school district is more than three percent (3%) over the previous year or if the growth in excess net

revenues from the uniform rate of tax does not exceed three percent (3%) of the excess net revenues from the uniform rate of tax for the previous year, the county treasurer shall remit the full amount of the excess net revenues from the uniform rate of tax to the school district from which the revenues were derived.

(3) If the growth in the excess net revenues from the uniform rate of tax is greater than three percent (3%) of the excess net revenues from previous year and the growth in student population in a school district is three percent (3%) or less over the previous year, the county treasurer shall:

(A) Remit the value equal to three percent (3%) of the excess net revenues from previous year to the school district from which the revenues were derived; and

(B)(i) Use the remaining excess net revenues from the uniform rate of tax solely to provide an ad valorem property tax credit for each property owner in the school district from which the excess net revenues from the uniform rate of tax were received.

(ii) The ad valorem property tax credit established under subdivision (e)(2)(A) of this section shall be provided proportionally to each property owner in the school district based on the amount of ad valorem property tax assessed to the property owner.

(4) The excess net revenues from the uniform rate of tax shall not be:

(A) Retained by the state;

(B) Remitted to a school district other than the school district from which the revenues were derived; or

(C) Refunded to a property owner outside the school district from which the revenues were derived.