

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

Call Item 14

A Bill

SENATE BILL 6

5 By: Education Committee - Senate
6
7

For An Act To Be Entitled

9 AN ACT TO ADDRESS THE ISSUES RAISED IN THE MOST
10 RECENT LAKEVIEW OPINION REGARDING THE NINETY-
11 EIGHT PERCENT (98%) COLLECTION RATE FOR PROPERTY
12 TAXES BY CREATING A MECHANISM TO PROVIDE FOR
13 UNIFORM ACCOUNTING BY ADOPTING A STATEWIDE SET OF
14 REPORTING INSTRUCTIONS FOR EACH COUNTY; TO ALLOW
15 THE ASSESSMENT COORDINATION DEPARTMENT TO CREATE
16 A UNIFORM STATEWIDE SET OF INSTRUCTIONS FOR
17 REPORTING COUNTY PROPERTY TAX COLLECTION
18 INFORMATION; AND FOR OTHER PURPOSES.

Subtitle

20 TO ADDRESS THE ISSUES RAISED IN THE MOST
21 RECENT LAKEVIEW OPINION REGARDING THE
22 NINETY-EIGHT PERCENT (98%) COLLECTION
23 RATE FOR PROPERTY TAXES.
24

25
26
27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
28

29 SECTION 1. Arkansas Code § 6-20-2202(g), regarding the budget and
30 expenditure reports prepared by school districts, is amended to read as
31 follows:

32 (g)(1) The Treasurer of State shall withhold the monthly distribution
33 of county aid provided under § 19-5-602(c) from any county whose ~~county clerk~~
34 county official who is the preparer of the tax books fails to provide by
35 March 15 of each calendar year information ~~to the department~~ concerning the
36 annual abstract of assessment that reflects the aggregate value of the real



1 and personal property for each school district located wholly or in part in
 2 the county as follows:

3 (A) If the county is capable of providing the information
 4 electronically, then the information shall be provided to both the Department
 5 of Education and the Assessment Coordination Department; and

6 (B) If the county is not capable of providing the
 7 information electronically, then the information shall be provided only to
 8 the Assessment Coordination Department.

9 (2) The information transmitted to the department shall also
 10 include:

11 (A) The previous calendar year's property assessment that
 12 will be used for ad valorem tax collections in the current year; and

13 (B) The millage rates, which shall be listed by the type
 14 of millage, levied against that property assessment.

15
 16 SECTION 2. Arkansas Code Title 26, Chapter 26, is amended to add an
 17 additional subchapter to read as follows:

18 **Subchapter 20.**

19 **Coordination of Uniform Reporting.**

20 **26-26-2001. Uniform reporting requirements.**

21 (a) The county official who is the preparer of the tax books shall
 22 annually report to the Assessment Coordination Department and the State Board
 23 of Education the county's property tax assessment, settlement, and collection
 24 information as provided under this section.

25 (b)(1) By June 15, 2006, the Assessment Coordination Department shall
 26 adopt and implement by rules a statewide set of instructions for reporting
 27 county property tax assessment, settlement, and collection information.

28 (2) In developing the statewide set of instructions, the
 29 Assessment Coordination Department shall:

30 (A) Collaborate with the Division of Legislative Audit,
 31 State Board of Education, the Department of Education, the Commissioner of
 32 State Lands, and the appropriate county officials;

33 (B) Consider the comments and suggestions from school
 34 districts and other interested parties; and

35 (C) Comply with the Arkansas Administrative Procedure Act,
 36 § 25-15-201 et seq., which may include the adoption of emergency rules as

1 necessary to comply with the June 15, 2006, deadline under subdivision (b)(1)
 2 of this section.

3 (c) The statewide set of instructions shall address issues relating to
 4 the property tax assessment, settlement, and collection processes to assure
 5 uniformity in reporting. In addition to any other instructions relevant to
 6 the processes, the statewide set of instructions shall include how to report
 7 items related to the county collector's original charge or assessed value
 8 used to determine state foundation funding aid under the Public School
 9 Funding Act of 2003, § 6-20-2301 et seq.

10 (d)(1)(A) By November 15, 2006, the Assessment Coordination Department
 11 shall present its preliminary report to the House Interim Committee on
 12 Revenue and Taxation, the Senate Interim Committee on Revenue and Taxation,
 13 the House Interim Committee on Education, and the Senate Interim Committee on
 14 Education regarding the implementation of this section.

15 (B) The preliminary report shall include:

16 (i) The proposed or promulgated rules;

17 (ii) The status of implementing the rules; and

18 (iii) If the rules have been implemented, a list of
 19 the counties that have complied with the rules.

20 (2) By December 15 of each following year, the Assessment
 21 Coordination Department shall present an update to the preliminary report
 22 that shall include:

23 (A) Any changes to the rules;

24 (B) The status of implementing the rules;

25 (C) A list of the counties that have complied with the
 26 rules; and

27 (D) Any additional information requested by a chair of a
 28 committee to be included in the update.

29
 30 SECTION 3. Arkansas Code Title 25, Chapter 28, Subchapter 1 is amended
 31 to add an additional section to read as follows:

32 25-28-109. Additional authority.

33 The Assessment Coordination Department shall promulgate the necessary
 34 rules to fully implement the provisions of uniform reporting requirements as
 35 required under § 26-26-2001 with input from all of the following:

36 (1) The State Board of Education;

- 1 (2) The Department of Education;
- 2 (3) The Division of Legislative Audit;
- 3 (4) The Commissioner of State Lands;
- 4 (5) The appropriate county officials; and
- 5 (6) The appropriate school district officials.

6

7 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the

8 General Assembly of the State of Arkansas that the Arkansas Supreme Court

9 declared the public school funding system to be inadequate and that the

10 public schools are operating under a constitutional infirmity which must be

11 corrected immediately; that to correct the constitutional infirmity and to

12 ensure adequate funding for public education, the General Assembly must have

13 more accurate and timely information regarding the assessment, settlement,

14 and collection of property taxes by the counties; and that this act is

15 necessary to allow the Assessment Coordination Department, the Department of

16 Education, and the counties sufficient time to make all necessary rules,

17 adjustments, calculations, and reports that will be necessary prior to the

18 convening of the 86th General Assembly. Therefore, an emergency is declared

19 to exist and this act being necessary for the preservation of the public

20 peace, health, and safety shall become effective on:

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