Property Tax Disbursement Analysis

2008 Taxes Collected in 2009

Equitable Foundation Funding for Arkansas Schools

Statewide Level Analysis

State of Arkansas
Department of Education
and
Assessment Coordination Department

May 15, 2010

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Sample Template B1

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Action Timeline

January 2010	Templates sent to every county.
	Contacted every county verifying templates had been received.
February 2010	Reminder letter mailed to counties that template deadline is February 15, 2010.
	All counties returned completed templates to ACD by February 15, 2010.
March 2010	ACD published preliminary 2010 findings.
	Joint legistive committees notified that preliminary reports available at the ACD website.
	All counties notified that preliminary reports available at the ACD website. County personnel were asked to work with their school districts to verify amounts and submit any necessary revisions.
	Department of Education notified all school districts that preliminary reports available at the ACD website. District personnel were asked to reconcile data supplied on the template with their records and to work with their counties to correct any discrepancies.
	Revision deadline set for March 31.
April 2010	Coordinated efforts with ACD, Department of Education, and Legislative Audit attempted to reconcile some discrepancies found in submitted data.
May 2010	ACD published final 2010 findings.
	ACD reported distributed dollar amounts to the Department of Education for adjustment payment caculations.
	Joint legislative committees supplied with electronic and hard copies of final report.
	All counties notified that final reports available at the ACD website.

Project Progress

The Ad Valorem Tax Disbursement Analysis project, commonly referred to as the “template,” has become an embedded part of each county’s year-end procedures. This is evident by the fact that all seventy-five counties have successfully met the reporting deadline for the third consecutive year. The data being reported appears to have become more accurate, as fewer revisions have been submitted each year of the project. This remarkable progress is attributable to the conscientious work and collaboration by all county and school district personnel involved in the reporting process.

This year’s report could mark a turning point for the entire disbursement analysis project as county treasurers were required to report comparable data on the “Ad Valorem Tax Report” form administered by the Arkansas State Treasurer’s office. This data is being considered as a suitable replacement for the “template” data in future years. Over the course of the entire project, it has become apparent that school district accounts are, in general, more easily reconciled with county treasurer records. It is also much easier to gather the needed disbursement data from the county treasurer records. Since this information is now required to be submitted monthly to the State Treasurer, using the same data as an annual summary for URT calculations would be more efficient than requiring another form to report the same data. Due to all of these considerations, the “template” report could be eliminated by changes in Arkansas law.

Regardless of what method of reporting tax disbursement data is ultimately employed, the foundation funding of Arkansas schools is much more equitable than it was prior to such analysis being conducted. This project has also brought about a greater understanding of the taxation and school funding processes as well as greater cooperation between state, county and school district personnel. All of these improvements will allow for even greater advancements in equity and efficiency going forward.

2009 Statewide Analysis

FINAL REPORT

All 75 counties reported the required data by the February 15, 2010 deadline. The following data is based on 100% of property valuation in the state.

Original Charge Adjustments		
Type	Valuation	Tax Dollars
Adds	269,140,898	9,947,036
Errors	400,366,253	$15,510,501.73
Disabled Veterans	235,205,094	$8,940,155.17
Net Total	-366,430,449	-$14,503,620.66

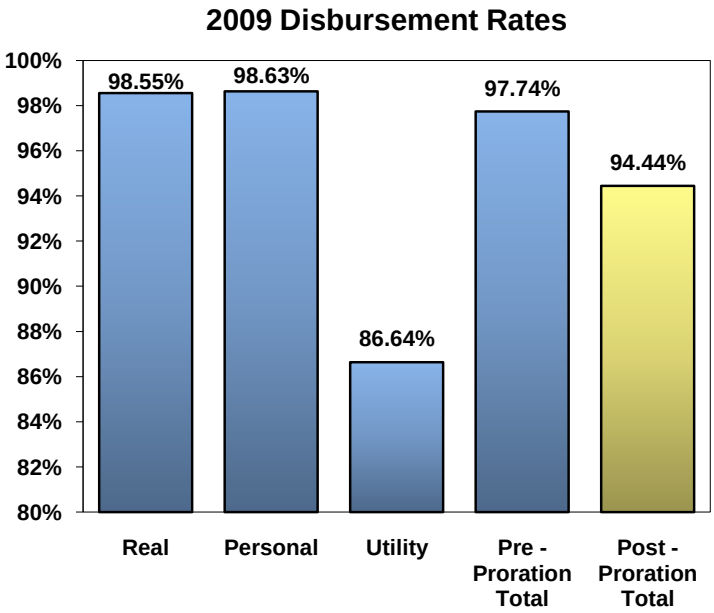
2008 Assessments		
Property Type	Valuation	Tax Dollars
Real	26,892,343,293	$ 1,024,387,976.63
Personal	9,078,335,929	$ 344,396,505.19
Utility	2,696,463,286	$ 102,643,488.28
Total	38,667,142,508	$ 1,471,427,970.10

Difference in Original Charges:	Valuation	Tax Dollars
Real	43,435,089	$ 1,492,612.61
Personal	-106,278,345	$ (3,820,538.35)
Utility	184,260,775	$ 7,088,547.29
Total	121,417,519	$ 4,760,621.55

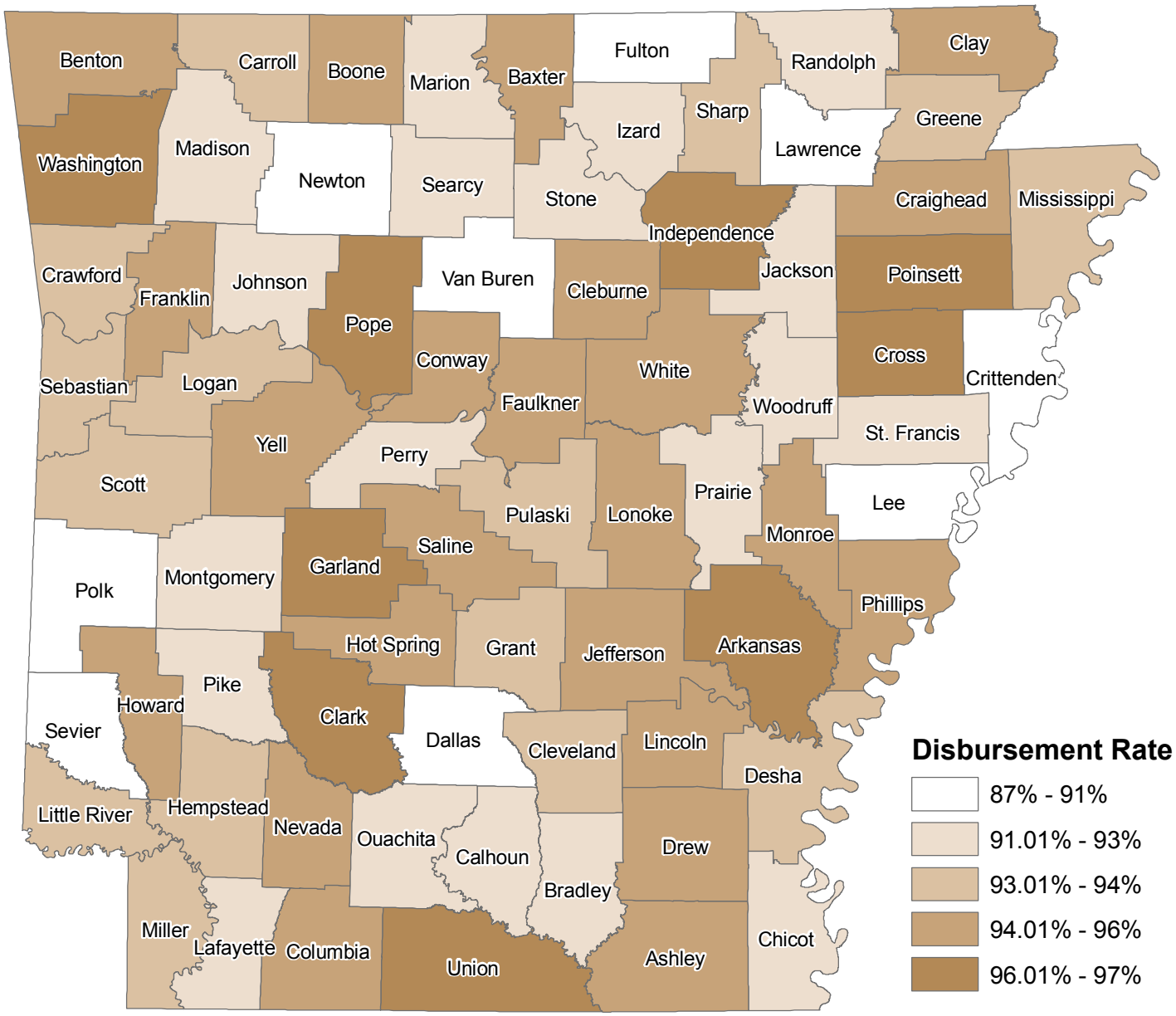
Homestead Credit: $175,335,788.25 (17.12 % of Real Estate Taxes)

Prorations: $48,496,279.41 (3.3 % of Total Property Taxes)

2009 Disbursement Rates		
Property Type	$ Disbursed before Prorations, with Delinquents	% of Original Charge
Real	1,009,575,151	98.55%
Personal	339,677,854	98.63%
Utility	88,927,124	86.64%
Pre - Proration Total	1,438,180,129	97.74%
Post - Proration Total	1,389,683,850	94.44%



County Disbursement Rate Percentages



Disbursement Rates by County

This table lists the disbursement rate for each county. This rate is based on the "post-proration" total (after county expenses) and including all delinquent collections and subsequent penalties and fees.

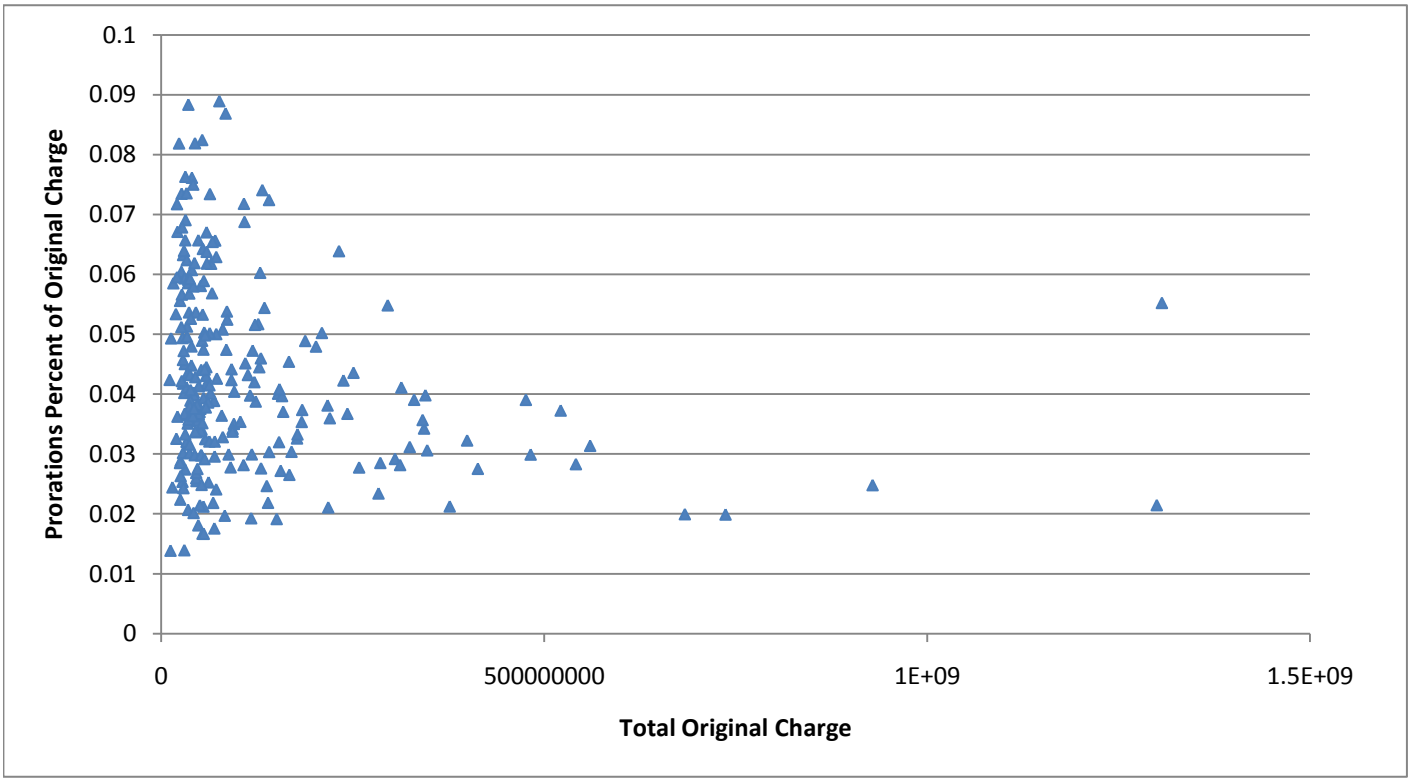
County	Disbursement Rate
Arkansas County	97.10%
Ashley County	95.75%
Baxter County	95.06%
Benton County	95.68%
Boone County	94.81%
Bradley County	91.63%
Calhoun County	92.38%
Carroll County	94.26%
Chicot County	91.87%
Clark County	96.51%
Clay County	95.54%
Cleburne County	94.44%
Cleveland County	92.80%
Columbia County	95.22%
Conway County	95.27%
Craighead County	95.35%
Crawford County	93.43%
Crittenden County	90.87%
Cross County	96.58%
Dallas County	90.59%
Desha County	93.89%
Drew County	94.50%
Faulkner County	95.71%
Franklin County	95.64%
Fulton County	90.16%
Garland County	97.39%
Grant County	93.66%
Greene County	93.60%
Hempstead County	93.30%
Hot Spring County	95.04%
Howard County	94.36%
Independence County	97.45%
Izard County	91.17%
Jackson County	92.25%
Jefferson County	95.36%
Johnson County	92.35%
Lafayette County	92.40%

County	Disbursement Rate
Lawrence County	90.52%
Lee County	90.91%
Lincoln County	95.82%
Little River County	93.36%
Logan County	94.00%
Lonoke County	94.63%
Madison County	92.09%
Marion County	91.29%
Miller County	93.57%
Mississippi County	93.56%
Monroe County	94.40%
Montgomery County	91.77%
Nevada County	95.27%
Newton County	89.30%
Ouachita County	91.93%
Perry County	91.03%
Phillips County	94.44%
Pike County	91.59%
Poinsett County	96.80%
Polk County	90.08%
Pope County	96.36%
Prairie County	92.51%
Pulaski County	92.93%
Randolph County	91.35%
Saline County	94.75%
Scott County	94.15%
Searcy County	92.36%
Sebastian County	93.40%
Sevier County	90.74%
Sharp County	93.20%
St Francis County	92.03%
Stone County	91.16%
Union County	97.16%
Van Buren County	87.39%
Washington County	96.14%
White County	94.45%
Woodruff County	92.38%
Yell County	94.61%

Proration Percentage Analysis

Prorations = collector's commission (-), assessor's salary (-), real estate cost (-), personal property cost (-), clerk's fees (-), EQ Board expenses (-), reappraisal expenses (-), miscellaneous expenses (-), net treasurer's commission (-), collector/treasurer's interest (+), excess collector's commission (+), and miscellaneous credits (+)

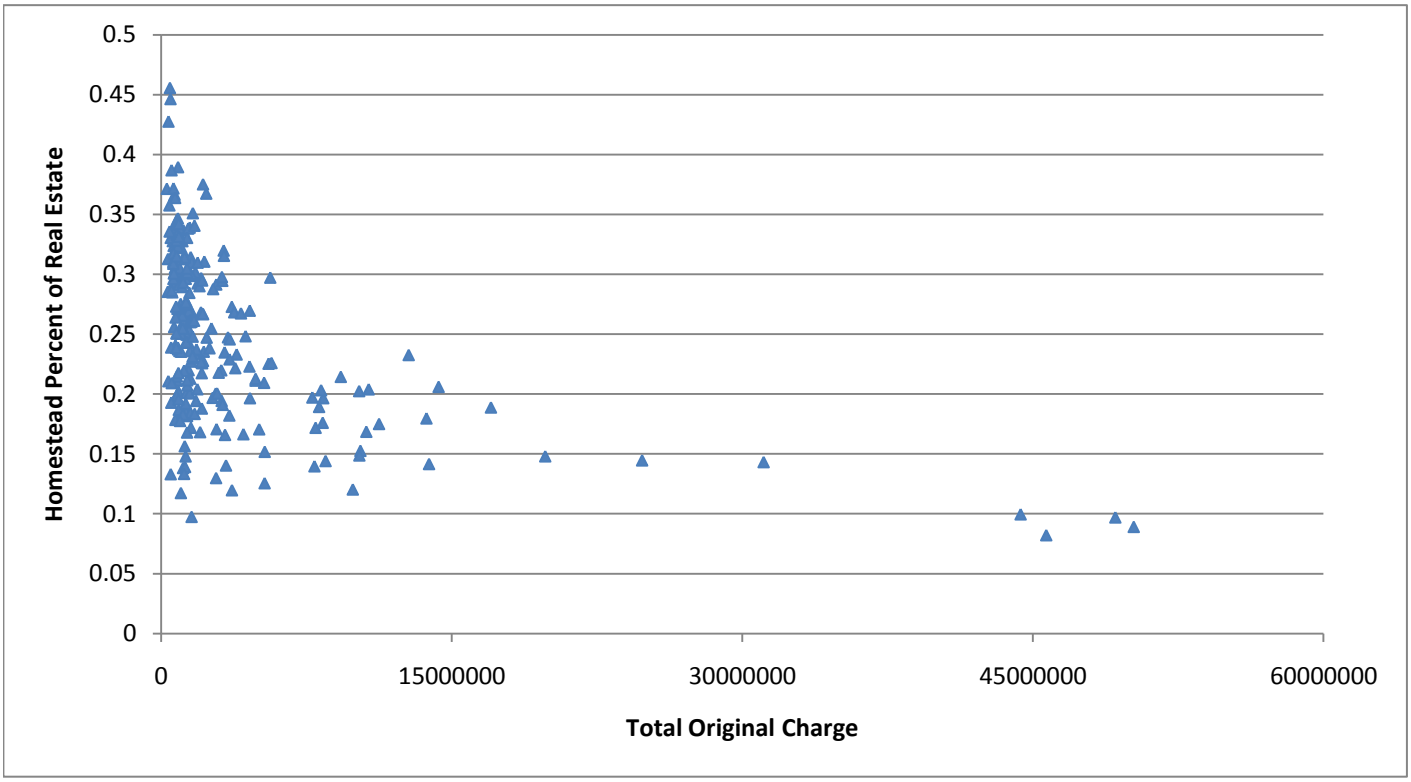
Mean	4.57%	95% Confidence Interval for Mean	Lower Bound	4.38%
Median	4.24%		Upper Bound	4.76%
Weighted Mean	3.37%	5% Trimmed Mean		4.50%
Std. Deviation	2.00%	Variance		0.04%
Average Absolute Deviation	1.50%	Minimum		-0.28%
Coefficient of Variation - Mean Centered	0.44	Maximum		21.53%
		Interquartile Range		2.47%



Homestead Coverage Analysis

This table analyzes the percent of real estate taxes that were paid by the Homestead Credit.

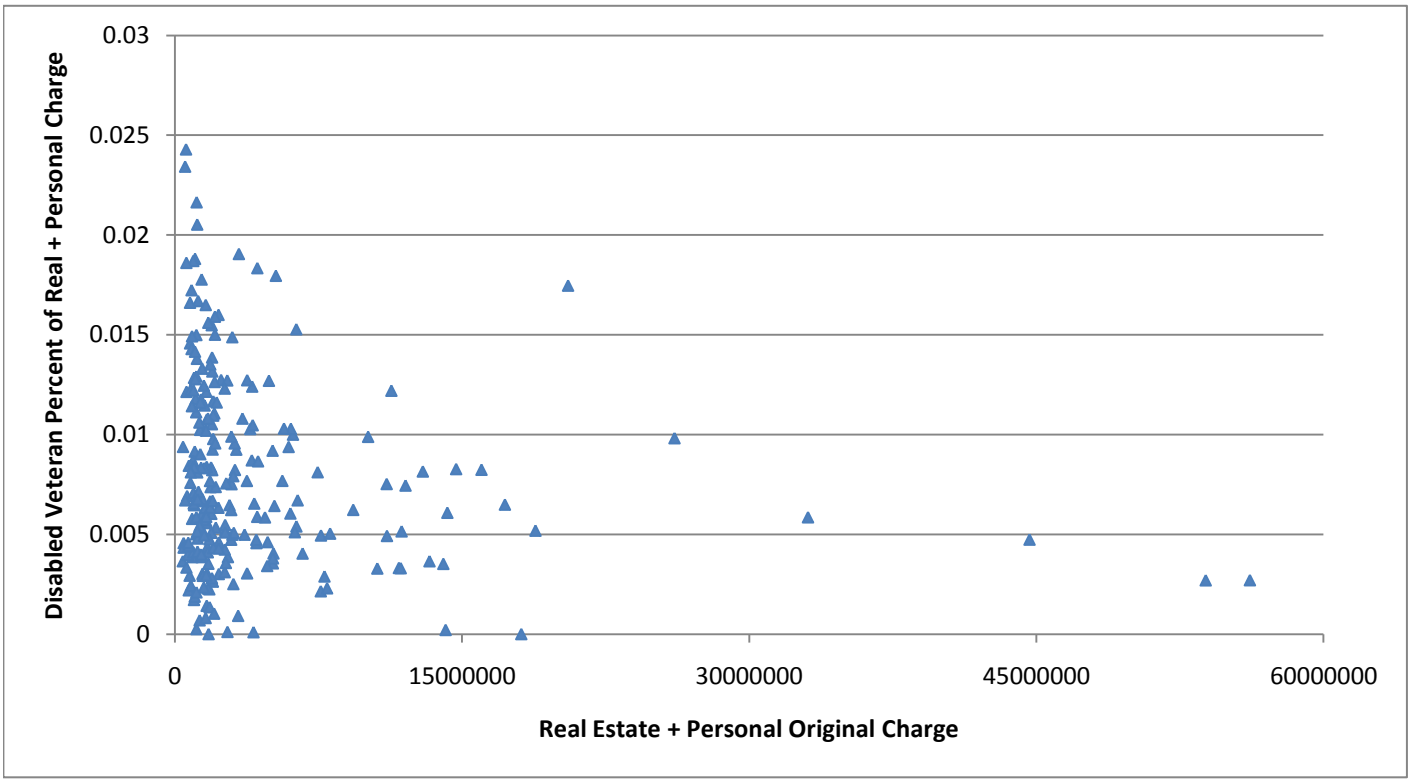
Mean	24.08%	95% Confidence Interval for Mean	Lower Bound	23.16%
Median	24.65%		Upper Bound	25.00%
Weighted Mean	17.12%	5% Trimmed Mean		24.11%
Std. Deviation	9.56%	Variance		0.91%
Average Absolute Deviation	7.47%	Minimum		0.00%
Coefficient of Variation - Mean Centered	0.40	Maximum		56.35%
		Interquartile Range		11.65%



Disabled Veterans Analysis

This table analyzes the percent of real estate and personal property owned by disabled veterans in each county. Such property is tax exempt and therefore will not be collected by the county tax collector or received by the school districts, but is included in the original charge.

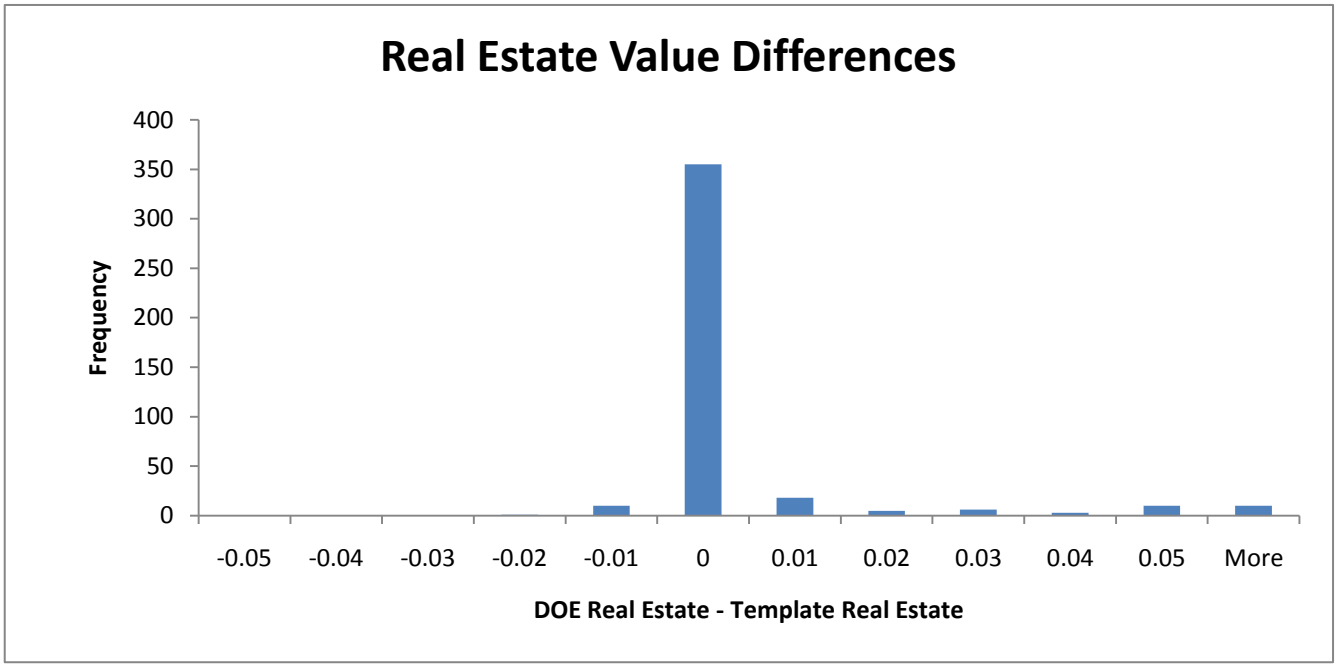
Mean	0.95%	95% Confidence Interval for Mean	Lower Bound	0.76%
Median	0.59%		Upper Bound	1.14%
Weighted Mean	0.65%	5% Trimmed Mean		0.74%
Std. Deviation	1.96%	Variance		0.04%
Average Absolute Deviation	0.81%	Minimum		0.00%
Coefficient of Variation - Mean Centered	2.07	Maximum		30.09%
		Interquartile Range		0.87%



Differences in Real Estate Valuations Reported

The differences between the Department of Education (DOE) real estate original charge valuations and those submitted by the county on the ACD Reporting Template were calculated and analyzed. Below are the statistics of these differences.

Mean	0.45%		Percentiles	5	-0.60%
Median	0.00%			10	-0.27%
Std. Deviation	5.03%			90	0.02%
Minimum	-2.23%			95	3.28%
Maximum	100.00%				



Differences in Real Estate Valuations Reported

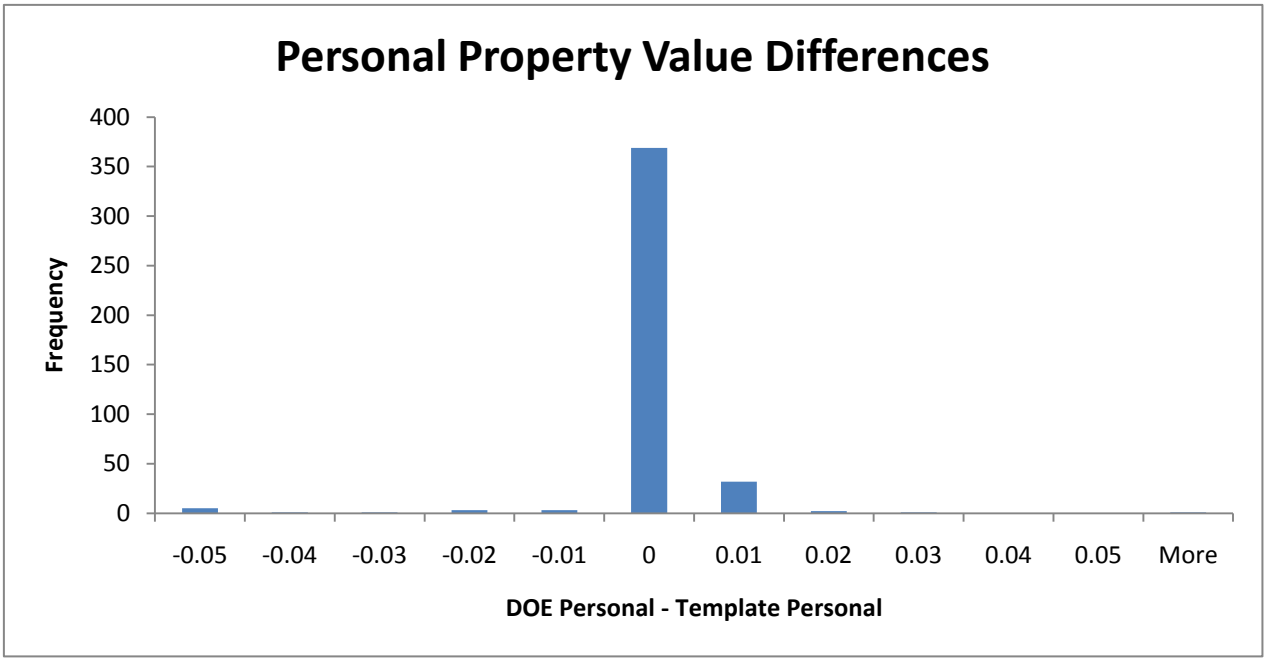
Below are the county/school district observationsn that reported a difference in real estate valuations greater than 5%.

County	School District	LEA Number	Dept of Education Real Estate Value	Template Real Estate Value	Difference	% of Dept of Education Value
Boone County	Green Forest School District	0803000	20,090	0	20,090	100.00%
Craighead County	Riverside School District	1613000	23,197,291	22,030,161	1,167,130	5.03%
Hot Spring County	Bismarck School District	3001000	37,178,932	35,141,098	2,037,834	5.48%
Hot Spring County	Glen Rose School District	3002000	16,161,208	14,987,366	1,173,842	7.26%
Hot Spring County	Malvern School District	3004000	107,981,198	102,234,018	5,747,180	5.32%
Hot Spring County	Centerpoint School District	5502000	2,814,250	2,645,111	169,139	6.01%
Jackson County	Bradford School District	7303000	5,657,688	5,330,495	327,193	5.78%
Mississippi County	Armorel School District	4701000	14,265,153	13,423,103	842,050	5.90%
Mississippi County	Blytheville School District	4702000	94,283,617	88,251,773	6,031,844	6.40%
Mississippi County	Manila School District	4712000	25,893,836	24,505,353	1,388,483	5.36%

Differences in Personal Property Valuations Reported

The differences between the Department of Education (DOE) personal property original charge valuations and those submitted by the county on the ACD Reporting Template were calculated and analyzed. Below are the statistics of these differences.

Mean	-0.17%		Percentiles	5	0.00%
Median	0.00%			10	0.00%
Std. Deviation	2.24%			90	0.00%
Minimum	-34.57%			95	0.18%
Maximum	17.07%				



Differences in Personal Property Valuations Reported

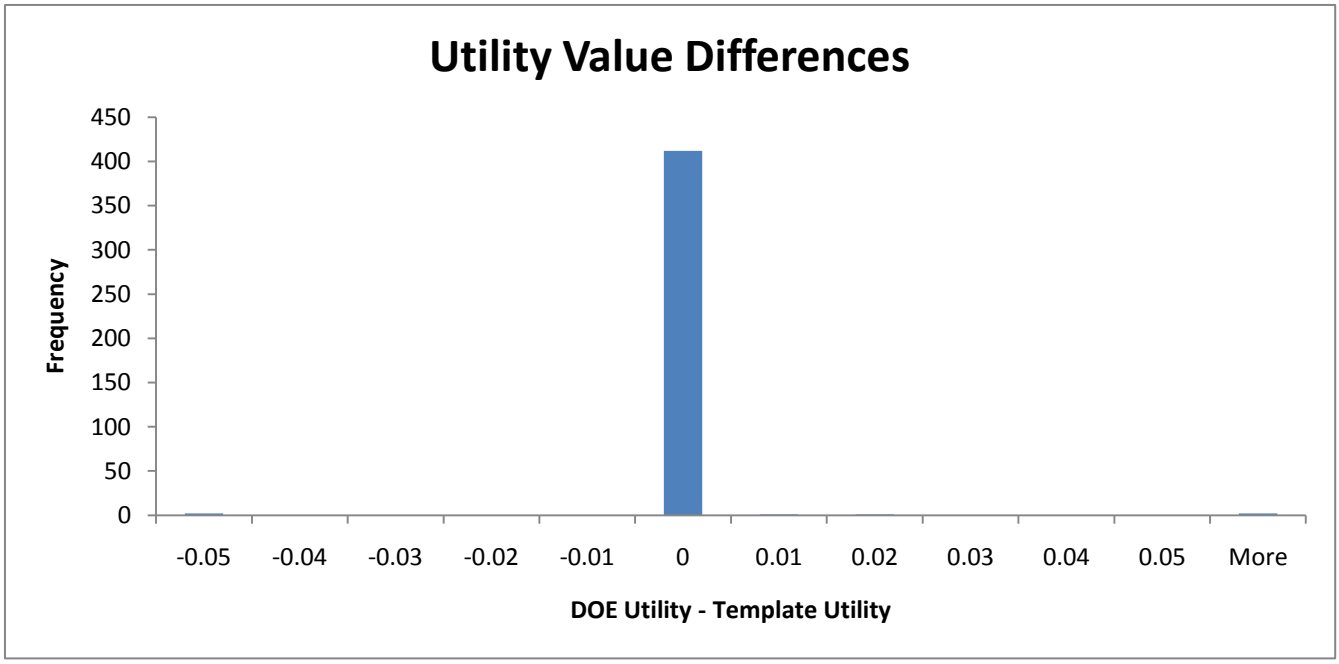
Below are the county/school district observations that reported a difference in personal property valuations greater than 5%.

County	School District	LEA Number	Dept of Education Real Estate Value	Template Real Estate Value	Difference	% of Dept of Education Value
Benton County	Rogers School District	0405000	323,555,795	358,922,060	-35,366,265	-10.93%
Benton County	Siloam Springs School District	0406000	73,634,490	82,684,015	-9,049,525	-12.29%
Carroll County	Berryville School District	0801000	31,730,836	42,699,097	-10,968,261	-34.57%
Carroll County	Green Forest School District	0803000	15,951,265	17,255,000	-1,303,735	-8.17%
Lonoke County	Carlisle School District	4303000	10,326,490	11,825,435	-1,498,945	-14.52%
Pulaski County	Pulaski County School District	6003000	511,284,375	424,011,346	87,273,029	17.07%

Differences in Utility Property Valuations Reported

The differences between the Department of Education (DOE) utility property original charge valuations and those submitted by the county on the ACD Reporting Template were calculated and analyzed. Below are the statistics of these differences.

Mean	0.39%		Percentiles	5	0.00%
Median	0.00%			10	0.00%
Std. Deviation	7.11%			90	0.00%
Minimum	-33.52%			95	0.00%
Maximum	100.00%				



Differences in Utility Valuations Reported

Below are the county/school district observations that reported a difference in utility valuations greater than 5%.

County	School District	LEA Number	Dept of Education Real Estate Value	Template Real Estate Value	Difference	% of Dept of Education Value
Benton County	Rogers School District	0405000	35,497,255	0	35,497,255	100.00%
Benton County	Siloam Springs School District	0406000	9,122,170	0	9,122,170	100.00%
Phillips County	Marvell School District	5404000	4,132,936	4,387,583	-254,647	-6.16%
Yell County	Danville School District	7503000	3,989,128	5,326,154	-1,337,026	-33.52%

Appendix A

Associated Laws & Agency Rules

Arkansas Code Title 6, Chapter 20, Subchapter 23

6-20-2305. School funding.

(a) **(4)** **(A)** 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) The net revenues distributed to the school district as reported under § 26-26-2004 for the calendar year immediately preceding the current school year; and

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

(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) **(i)** 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 collected annually by the Department of Education in cooperation with the Assessment Coordination Department.

(ii) **(a)** Data may be appropriately adjusted by the Department of Education if it is determined 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 irregular distributions shall be in the form required by the Department of Education.

Arkansas Code Title 26, Chapter 26, Subchapter 19

26-26-1907. Arkansas Real Property Reappraisal Fund.

(a) **(1)** There is created a fund to be known as the "Arkansas Real Property Reappraisal Fund".

(2) The proceeds of the fund shall be used to pay counties and professional reappraisal companies for the reappraisal of real property required by this subchapter and shall be in lieu of real property reappraisal funding by the local taxing units in each county of this state.

(b) For cause and after an opportunity for a hearing, the Director of the Assessment Coordination Department may suspend or terminate the contract of any appraisal firm or county.

(c) **(1)** The fund proceeds shall be distributed monthly, except when there is a determination by the Assessment Coordination Department that proper reappraisal procedures established by the department are not being followed.

(2) **(A)** **(i)** Upon a finding by the department that proper reappraisal procedures are not being followed, the county assessor or contractor shall be notified that the reappraisal is out of compliance with accepted guidelines as established in this subchapter and rules enacted pursuant to this subchapter.

(ii) The department shall notify the county assessor or contractor in writing that the county assessor or contractor has thirty (30) days in which to bring the reappraisal into compliance.

(B) If there is a further finding that proper reappraisal procedures are not being followed, the contract shall be promptly terminated and the department shall negotiate another contract and reappraisal management plan for the completion of the reappraisal project.

(d) Based on its expertise and the criteria and requirements set forth in this subchapter, the department shall establish by rule the findings that indicate proper reappraisal procedures are not being followed.

(e) At the end of each countywide reappraisal, the department shall issue a report of the status of the county.

History. Acts 1999, No. 1185, § 6; 2001, No. 1553, § 57.

A.C.R.C. Notes. Acts 1999, No. 1185, § 6, is also codified, in part, as § 19-5-1096.
Acts 2009, No. 599, § 10, provided: "Failure by the preparer of the tax books to report the information necessary to comply with Rule 5.03 of the Rules of the Assessment Coordination Department by February 15 of each calendar year, shall result in the loss of all reappraisal funding provided under Arkansas Code § 26-26-1907 until the preparer of the tax books complies with Rule 5.03. Such funds shall be forfeited under the following provisions:

(a) Failure to comply with this section shall result in the forfeiture of twenty percent (20%) of the total reappraisal funds every two (2) months of noncompliance;

(b) After ten (10) months of noncompliance, the total amount of reappraisal funds shall be forfeited.

(c) No county will be relieved of the requirement to reappraise property, and funding will be by local taxing unit sources until such time as the county comes into compliance with this section.

Amendments. The 2001 amendment added (a)(1) and re-designated former (a) as (a)(2); added (c)(2); and made stylistic changes.

Arkansas Code Title 26, Chapter 26, Subchapter 20

Coordination of Uniform Reporting of County Property Tax Information

26-26-2001. Uniform annual reporting requirement.
26-26-2002. Adoption and implementation of rules for reporting.
26-26-2003. Preliminary report — Annual report.

Effective Dates. Acts 2006 (1st Ex. Sess.), Nos. 26 and 27, § 4: Apr. 11, 2006. Emergency clause provided: "It is found and determined by the General Assembly of the State of Arkansas that the Arkansas Supreme Court declared the public school funding system to be inadequate and that the public schools are operating under a constitutional infirmity which must be corrected immediately; that to correct the constitutional infirmity and to ensure adequate funding for public education, the General Assembly must have more accurate and timely information regarding the assessment, settlement, and collection of property taxes by the counties; and that this act is necessary to allow the Assessment Coordination Department, the Department of Education, and the counties sufficient time to make all necessary rules, adjustments, calculations, and reports that will be necessary prior to the convening of the 86th General Assembly. Therefore, an emergency is declared to exist and this act being 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."

26-26-2001. Uniform annual reporting requirement.

A county official who is the preparer of the tax books shall annually report to the Assessment Coordination Department and the State Board of Education his or her county's property tax assessment, settlement, and collection information as provided under this subchapter.

History. Acts 2006 (1st Ex. Sess.), No. 26, § 2; 2006 (1st Ex. Sess.), No. 27, § 2.

26-26-2002. Adoption and implementation of rules for reporting.

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

(b) In developing the statewide set of instructions, the Assessment Coordination Department shall:

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

(2) Consider the comments and suggestions from school districts and other interested parties; and

(3) Comply with the Arkansas Administrative Procedure Act, § 25-15-201 et seq., which may include the adoption of emergency rules as necessary to comply with the June 15, 2006, deadline under subsection (a) of this section.

(c) **(1)** The statewide set of instructions shall address issues relating to the property tax assessment, settlement, and collection processes to assure uniformity in reporting.

(2) In addition to any other instructions relevant to the processes, the statewide set of instructions shall include how to report items related to the county collector's original charge or assessed value used to determine state foundation funding aid under the Public School Funding Act of 2003, § 6-20-2301 et seq.

History. Acts 2006 (1st Ex. Sess.), No. 26, § 2; 2006 (1st Ex. Sess.), No. 27, § 2.

26-26-2003. Preliminary report — Annual report.

(a) **(1)** By November 15, 2006, the Assessment Coordination Department shall present its preliminary report to the House Interim Committee on Revenue and Taxation, the Senate Interim Committee on Revenue and Taxation, the House Interim Committee on Education, and the Senate Interim Committee on Education regarding the implementation of this subchapter.

(2) The preliminary report shall include:

(A) The proposed or promulgated rules;

(B) The status of implementing the rules; and

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

(b) By December 15 of each following year, the department shall present an update to the preliminary report that shall include:

(1) Any changes to the rules;

(2) The status of implementing the rules;

(3) A list of the counties that have complied with the rules; and

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

History. Acts 2006 (1st Ex. Sess.), No. 26, § 2; 2006 (1st Ex. Sess.), No. 27, § 2.

Act 1397 of the Regular Session

State of Arkansas
87th General Assembly
Regular Session, 2009

A Bill

HOUSE BILL 2065

By: Representative Abernathy

For An Act To Be Entitled

AN ACT TO ENHANCE THE QUALITY OF AD VALOREM TAX DATA USED FOR PUBLIC SCHOOL FUNDING; TO AMEND THE METHODS UTILIZED BY COUNTIES TO REPORT AND REMIT PROCEEDS FROM THE UNIFORM RATE OF TAX; AND FOR OTHER PURPOSES.

Subtitle

TO ENHANCE THE QUALITY OF AD VALOREM TAX DATA USED FOR PUBLIC SCHOOL FUNDING.

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

SECTION 1. Arkansas Code § 6-20-2303(10), concerning the definition of "millage rate" for purposes of public school funding, is amended to read as follows:

(10) "Millage rate" means the millage rate listed in the most recent tax ordinance approved by the county quorum court under the authority of § 14-14-904 <u>for the tax year used in a calculation made under this subchapter</u>;

SECTION 2. Arkansas Code § 6-20-2303(13), concerning the definition of "net revenues" for purposes of public school funding, is amended to read as follows:

(13) "Net revenues" means actual revenues ~~received~~ <u>generated</u> from ad valorem taxes ~~collected on behalf of~~ <u>and distributed to</u> a school district multiplied by the <u>ratio derived from dividing the</u> uniform rate of tax ~~over~~ <u>by</u> the total millage rate of the school district;

SECTION 3. Arkansas Code § 6-20-2303(17), concerning the definition of "revenues" for purposes of public school funding, is amended to read as follows:

(17)(A) "Revenues" means the proceeds generated from ad valorem taxes and distributed to a school district by a county treasurer from January 1 through December 31 of the calendar year immediately preceding the beginning of the current school year, including:

~~(i) The following items collected or received on behalf of a school district:~~

~~(a)~~(i) The amount of the final distribution of ~~Current year~~ ad valorem taxes to a school district as shown on the final tax settlement of the county under § 26-39-402 for the calendar year immediately preceding the beginning of the current school year; ~~plus~~

~~(b)~~(ii)(a) Delinquent ad valorem taxes distributed to a school district in the calendar year immediately preceding the beginning of the current school year.

(b) Delinquent ad valorem taxes include the penalties and interest that are distributable to a school district under existing law; ~~plus~~

~~(c)~~(iii) The actual amount of homestead ~~Homestead~~ tax credit distributed to a school district in the calendar year immediately preceding the beginning of the current school year; ~~plus~~

~~(d)~~(iv) Excess commissions distributed to a school district in the calendar year immediately preceding the beginning of the current school year; ~~less~~

(v) Interest earned on any tax funds held in trust and distributed to a school district in the calendar year immediately preceding the beginning of the current school year;

(vi) Ad valorem tax proceeds from land redemptions distributed to a school district in the calendar year immediately preceding the beginning of the current school year; and

~~(ii)~~(vii) A subtraction of all ~~All~~ costs and ~~net~~ commissions authorized by law relating to the collection of ad valorem taxes ~~authorized by law~~ that ~~are collected or withheld for later distribution by the county~~ ~~offices~~ that the county deducted from distributions to a school

district in the calendar year immediately preceding the beginning of the current school year.

SECTION 4. Arkansas Code § 6-20-2305(a)(4)(A)(i), concerning foundation funding for public schools, is amended to read as follows:

(4)(A) 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) The net revenues ~~of~~ distributed to the school district as reported under § 26-26-2004 for the calendar year immediately preceding the current school year; and

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

SECTION 5. TEMPORARY. DO NOT CODIFY.

(a) As used in this section:

(1) "Millage rate" means the millage rate listed in the most recent tax ordinance approved by the county quorum court under the authority of § 14-14-904 for the tax year used in a calculation made under this subchapter;

(2) "Net revenues" means the revenues generated from ad valorem taxes distributed to a school district multiplied by the ratio derived from dividing the uniform rate of tax by the total millage rate of the school district; and

(3) "Revenues" means the proceeds generated from ad valorem taxes and distributed to a school district by a county treasurer, including:

(A) Current calendar year collections of ad valorem taxes;

(B)(i) Delinquent ad valorem taxes paid to the county in the current calendar year.

(ii) Delinquent ad valorem taxes include the penalties and interest that are distributable to a school district under existing law;

(C) The actual amount of homestead tax credit paid to the county in the current calendar year;

(D) Excess commissions distributed to a school district in the current calendar year;

(E) Interest earned on any tax funds held in trust and distributed to a school district in the current calendar year;

(F) Ad valorem tax proceeds from land redemptions received by the county in the current calendar year; and

(G) A subtraction of all costs and commissions authorized by law relating to the collection of ad valorem taxes that the county deducts from distributions to a school district in the current calendar year.

(b) Within thirty (30) days of the effective date of this act for calendar years 2007 and 2008, and by January 31, 2010 for calendar year 2009, a county treasurer shall provide a summary report of all proceeds generated from ad valorem taxes and distributed by the county to a school district for the period beginning January 1 and ending on December 31 of each year to the:

(1) Treasurer of State;

(2) Department of Education;

(3) Assessment Coordination Department; and

(4) Superintendent of the school district to which the proceeds from the uniform rate of tax are distributed by the county.

(c) Each summary report shall:

(1) Identify the local education agency number of the school district to which the net revenues are distributed under § 26-80-101.

(d) The Treasurer of State, with the assistance of the Department of Education, the Assessment Coordination Department, and the Arkansas County Treasurers Association, shall develop the form and procedures needed for uniformity of reporting under this subchapter.

SECTION 6. Arkansas Code § 26-80-101 is amended to add an additional subsection to read as follows:

(d) As used in this section:

(1) "Millage rate" means the millage rate listed in the most recent tax ordinance approved by the county quorum court under the authority of § 14-14-904 for the tax year used in a calculation under this subchapter;

(2) "Net revenues" means the revenues generated from ad valorem taxes collected on behalf of a school district multiplied by the ratio derived from dividing the uniform rate of tax by the total millage rate of

the school district; and

(3) "Revenues" means the proceeds generated from ad valorem taxes, including:

(A) Current calendar year collections of ad valorem taxes;

(B)(i) Delinquent ad valorem taxes paid to the county in the current calendar year.

(ii) Delinquent ad valorem taxes include the penalties and interest that are distributable to a school district under existing law;

(C) The actual amount of homestead tax credit paid to the county in the current calendar year;

(D) Excess commissions that will be distributed to a school district in the current calendar year;

(E) Interest earned in the current calendar year on any tax funds held in trust and distributed to a school district in the current calendar year;

(F) Ad valorem tax proceeds from land redemptions received by the county in the current calendar year; and

(G) A subtraction of all costs and commissions authorized by law relating to the collection of ad valorem taxes that the county deducts from distributions to a school district in the current calendar year.

SECTION 10. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that it is the constitutional obligation of the state to ensure that the state's public school children receive an equal opportunity for an adequate education; that the timely and accurate collection and reporting by counties of the proceeds generated from the uniform rate of tax is necessary to ensure educational adequacy; that the Treasurer of State, the Department of Education, the Assessment Coordination Department, and the counties need to implement the reporting process required under this act so that timely and accurate calculations for public school funding will be made before the beginning of the 2009-2010 school year. 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.

APPROVED: 4/9/2009

Assessment Coordination Department Rules

RULE 5.01
UNIFORM REPORTING OF ASSESSMENTS

STATUTORY AUTHORITY ACA 26-28-108
STATUTORY AUTHORITY ACA 26-28-304

On or before March 15th of each year the Preparer of the Tax Books for each county shall provide a copy of the Abstract of Assessments to the Assessment Coordination Department. Said copy of Abstract of Assessments shall be the same as reported to the Arkansas Department of Education on or before March 15th of each year and shall include the total assessment by school district that was delivered to the County Tax Collector (Tax Books) for tax collection purposes.

Adopted and implemented 6/16/06 by emergency procedure
Amended 12/20/06

RULE 5.02
UNIFORM REPORTING OF DELIQUENT TAXES

If not included in the above Abstract of Assessments as defined in rule 6.01, the following items relating to real property assessments shall be added:

Previous year delinquent real estate assessments

If included in the above Abstract of Assessments as defined in rule 6.0, the following items relating to real property assessments shall be **deleted:**

Delinquent assessment certified to the State of Arkansas Office of Commissioner of State Lands (two year delinquent).

Adopted and implemented 6/16/06 by emergency procedure
Amended 12/20/06

RULE 5.03
UNIFORM REPORTING OF COUNTY TAX SETTLEMENTS

STATUTORY AUTHORITY ACA 26-26-2001

On or before February 15 the Preparer of the Tax Books shall provide to the Assessment Coordination Department:

1. A copy of the final tax settlement filed with and approved by the County Court on or before December 31 of the previous year.

2. Delinquent personal tax collected in the previous calendar year as reflected on the County Clerks monthly distributions to the taxing districts;

3. Delinquent real estate taxes collected in the previous calendar year as reflected on the in the County Clerks monthly distributions to the taxing districts. The monthly distribution information provided shall be for January through December collections, regardless of actual distribution date.

4. Delinquent real estate taxes distributed in the previous calendar year by the County Treasurer from real estate taxes collected by the State of Arkansas Office of the Commissioner of State Lands;

5. Homestead taxes received by the State of Arkansas distributed in the previous calendar year to the taxing districts by the County Treasurer;

6. Interest earned on funds by the County Tax Collector and or County Treasurer for the previous calendar year that were distributed to the taxing districts;

7. The net County Treasurer's commission allocated to the taxing districts for the previous calendar year;

8. County Tax Collector's excess commission for the previous year that was distributed to the taxing districts.

9. The preparer of the tax book shall use the template provided in ACD Rule 5.02 P-1 for reporting purposes.

Adopted and implemented 6/16/06 by emergency procedure
Amended 12/20/06

RULE 5.04
RESPONSIBILITIES OF THOSE PROVIDING INFORMATION

The County Assessor, County Collector of Taxes, the County Clerk, the County Treasurer, and any other county official having possession of the information specified in Rules 6.01, 6.02, and 6.03 shall turn such information over to the Preparer of the Tax Book at least 14 days prior to the deadlines specified in Rules 6.01, 6.02, and 6.03. The county official providing the information shall be solely responsible for its accuracy. The Preparer of the Tax Book shall be responsible only for the accuracy of information generated solely by him or her and not that which was compiled from the information provided by others.

Adopted 12/20/06

Appendix B

Forms

TAX SETTLEMENT DATA 2006 TAXES COLLECTED IN 2007

County Name	Lawrence

REAL ESTATE

SCHOOL DISTRICTS	LEA NUMBER	MILLAGE RATE	ORIGINAL CHARGE VALUATION	ORIGINAL CHARGE TAX	ADDED REAL VALUATION	ADDED REAL TAX	ERRORS AND CREDITS VALUATION	ERRORS AND CREDITS TAX	DISABLED VETERNS VALUATION	DISABLED VETERNS TAX
Hoxie School District	3804000			0.00		0.00		0.00		0.00
Sloan Hendrix School District	3806000			0.00		0.00		0.00		0.00
Hillcrest School District	3809000			0.00		0.00		0.00		0.00
Lawrence County School District	3810000			0.00		0.00		0.00		0.00
Westside Consolidated School District	1602000			0.00		0.00		0.00		0.00
Pocahontas School District	6103000			0.00		0.00		0.00		0.00
Twin Rivers School District	6806000			0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
Total Schools			-	-	-	-	-	-	-	-

PERSONAL PROPERTY

SCHOOL DISTRICTS	LEA NUMBER	MILLAGE RATE	ORIGINAL CHARGE VALUATION	ORIGINAL CHARGE TAX	ADDED PERSONAL VALUATION	ADDED PERSONAL TAX	ERRORS AND CREDITS VALUATION	ERRORS AND CREDITS TAX	DISABLED VETERAN'S VALUATION	DISABLED VETERAN'S TAX
Hoxie School District	3804000			0.00		0.00		0.00		0.00
Sloan Hendrix School District	3806000			0.00		0.00		0.00		0.00
Hillcrest School District	3809000			0.00		0.00		0.00		0.00
Lawrence County School District	3810000			0.00		0.00		0.00		0.00
Westside Consolidated School District	1602000			0.00		0.00		0.00		0.00
Pocahontas School District	6103000			0.00		0.00		0.00		0.00
Twin Rivers School District	6806000			0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
Total Schools			-	-	-	-	-	-	-	-

		UTILITY REAL			UTILITY PERSONAL					
	LEA NUMBER	MILLAGE RATE	ORIGINAL CHARGE UTILITY AND CARRIER TAX		ORIGINAL CHARGE UTILITY AND CARRIER TAX		ADDED PERSONAL		ERRORS PERSONAL	
School Districts			VALUATION	TAX	VALUATION	TAX	VALUATION	TAX	VALUATION	TAX
Hoxie School District	3804000			0.00		0.00		0.00		0.00
Sloan Hendrix School District	3806000			0.00		0.00		0.00		0.00
Hillcrest School District	3809000			0.00		0.00		0.00		0.00
Lawrence County School District	3810000			0.00		0.00		0.00		0.00
Westside Consolidated School District	1602000			0.00		0.00		0.00		0.00
Pocahontas School District	6103000			0.00		0.00		0.00		0.00
Twin Rivers School District	6806000			0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
				0.00		0.00		0.00		0.00
Total Schools			-	-	-	-	-	-	-	-

COMBINE

SCHOOL DISTRICTS	LEA NUMBER	NET TAX COLLECTED REAL	NET TAX COLLECTED PERSONAL	NET TAX COLLECTED UTILITY REAL	NET TAX COLLECTED UTILITY PERSONAL	MISC DEBITS/ CREDITS	HOMESTEAD CREDIT	COLLECTOR'S/ TREASURER'S INTEREST	***NET TREASURER'S COMMISSION TAKEN	**EXCESS COLLECTORS COMMISSION	DELINQUENT PERSONAL COLLECTED
Hoxie School District	3804000										
Sloan Hendrix School District	3806000										
Hillcrest School District	3809000										
Lawrence County School District	3810000										
Westside Consolidated School District	1602000										
Pocahontas School District	6103000										
Twin Rivers School District	6806000										
Total Schools		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Rule 6.2.1	Rule 6.2.1	Rule 6.2.1	Rule 6.2.1	Rule 6.2.1	Rule 6.2.1, Rule 6.2.5	Rule 6.2.6	Rule 6.2.7	Rule 6.2.1	Rule 6.2.2 Rule 6.2.8

SCHOOL DISTRICTS	LEA NUMBER	DELINQUENT REAL COLLECTED	COMMISSIONER OF STATE LAND	*COLLECTOR'S COMMISSION (Regular + Homestead)	ASSESSOR'S SALARY AND EXPENSE	COST PRORATED REAL	COST PRORATED PERSONAL	CLERK'S FEES	EQUALIZATION BOARD	REAPPRAISAL EXPENSE	MISC
Hoxie School District	3804000										
Sloan Hendrix School District	3806000										
Hillcrest School District	3809000										
Lawrence County School District	3810000										
Westside Consolidated School District	1602000										
Pocahontas School District	6103000										
Twin Rivers School District	6806000										
Total Schools		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Rule 6.2.3	Rule 6.2.4								

*Collector's Commission should be regular commission plus 4% Homestead Credit Commission
**Excess Collector's Commission reported separately.
***Net Treasurer's Commission Taken is Commission minus Excess Commission.

Receipt of this template does not initiate or imply any financial or legal relationship with the state of Arkansas.

Completing the Act 27 Reporting Template

Written by the Assessment Coordination Department

November 2007
(Revised January 2010)

Completing the Act 27 Reporting Template

Welcome to your customized Act 27 Reporting Template. This document will help you to complete your template with accuracy. The instructions are listed in order of appearance on the template, but are also sectioned into topics that you may scroll through to find specific topics you need clarification for. Each section describes a field to be entered on the template and provides some possible locations for the data needed. These locations may not be the same in every county and therefore, are presented here with the caution that your county may house data differently.

This template represents a three year cycle of data. You will complete the template by the 2010 deadline using the 2009 final tax settlement. This means you will be using data for collections during the calendar year 2009. These collections are from the 2008 assessments.

If you have further questions while completing this report, please do not hesitate to call the Assessment Coordination Department for assistance. You can contact Amy Gilbert at 501-324-9121 or Amy.Gilbert@acd.state.ar.us.

The Act 27 Reporting Template is an Excel file containing two worksheets (tabs). You will only need to enter data on the first tab, "County Data Entry." The other tab, labeled "Report," is automatically calculated based on your entries in the first tab. Here is a basic description of each worksheet:

County Data Entry – This is the worksheet the county must complete. All fields to be entered by the county are highlighted in yellow. The data entered should be for 2009 collection information. This worksheet is subdivided into four sections: Real Estate, Personal Property, Utility Real/Personal, and Combine.

Report – This tab can be viewed by the county as an estimation of its disbursement rates. There may be some differences between these rates and those that will be calculated by ACD. These differences result from ACD using the original charges on the Abstract of Assessment submitted to the Department of Education. These differences should be minor. No changes or entries are needed on this tab.

This template has been customized for your county. The county name has been entered. Also, the county's school districts have been entered, including any fringe districts. The district names come from the Department of Education. If there are any issues with these names (school districts missing from the template, county reports consolidated districts separately, etc.) please contact ACD. Note: each school district should only be listed once with all of its millages combined.

Column totals are automatically calculated on the template. There is no need for the county to enter these sums.

All formulas contained in the template serve a specific purpose. Please do not edit or delete any cells or formulas on the template.

REAL ESTATE SECTION

Millage Rate – Enter each school district's millage rate. The millage rate should be school district millage only. Enter the millage rate as mils. For example, a millage rate of .0345 should be entered as 34.5 mils on the template. This figure should be found on the 2009 final tax settlement.

Original Charge Valuation – Enter each school district's original charge real estate valuation. This is the total (2008) assessments for real estate property for that school district in your county. This figure should be found on the 2009 final tax settlement.

The template will calculate the original charge tax dollar amount.

Added Real Valuation – Enter each school district's added real estate valuation. This is the (2008) assessment value added to the original charge valuation for real estate property for that school district in your county. This figure should be found on the 2009 final tax settlement.

The template will calculate the added tax dollar amount.

Errors and Credits Valuation – Enter each school district's errors and credits real estate valuation. This is the (2008) assessment value to be subtracted from the original charge valuation for real estate property for that school district in your county. Enter errors and credits as a positive number. The template will subtract appropriately. This figure should be found on the 2009 final tax settlement.

The template will calculate the errors tax dollar amount.

Disabled Veterans Valuation – Enter each school district's disabled veterans real estate valuation. This is the (2008) assessment value contained in the original charge that is owned by disabled veterans. Enter the disabled veterans as a positive number. The template will subtract appropriately. This figure should be found on the 2009 final tax settlement.

The template will calculate the disabled veterans tax dollar amount.

PERSONAL PROPERTY SECTION

Millage Rate – Enter each school district's millage rate. The millage rate should be school district millage only. Enter the millage rate as mils. For example, a millage rate of .0345 should be entered as 34.5 mils on the template. This figure should be found on the 2009 final tax settlement.

Original Charge Valuation – Enter each school district's original charge personal property valuation. This is the total (2008) assessments for personal property for that school district in your county. This figure should be found on the 2009 final tax settlement.

The template will calculate the original charge tax dollar amount.

Added Real Valuation – Enter each school district's added personal property valuation. This is the (2008) assessment value added to the original charge valuation for personal property for that school district in your county. This figure should be found on the 2009 final tax settlement.

The template will calculate the adds tax dollar amount.

Errors and Credits Valuation – Enter each school district's errors and credits personal property valuation. This is the (2008) assessment value to be subtracted from the original charge valuation for personal property for that school district in your county. Enter errors and credits as a positive number. The template will subtracted appropriately. This figure should be found of the 2009 final tax settlement.

The template will calculate the errors tax dollar amount.

Disabled Veterans Valuation – Enter each school district's disabled veterans personal property valuation. This is the (2008) assessment value contained in the original charge that is owned by disabled veterans. Enter the disabled veterans as a positive number. The template will subtract appropriately. This figure should be found on the 2009 final tax settlement.

The template will calculate the disabled veterans tax dollar amount.

UTILITY SECTION

Millage Rate – Enter each school district's millage rate. The millage rate should be school district millage only. Enter the millage rate as mils. For example, a millage rate of .0345 should be entered as 34.5 mils on the template. This figure should be found on the 2009 final tax settlement.

Utility Real Original Charge Valuation – Enter each school district's original charge utility real estate valuation. This is the total (2008) assessments for utility real estate property for that school district in your county. Many counties place all utility property in utility personal. In this situation, the utility real estate will be blank. This figure should be found on the 2009 final tax settlement.

The template will calculate the original charge tax dollar amount.

Utility Personal Original Charge Valuation - Enter each school district's original charge utility personal valuation. This is the total (2008) assessments for utility personal property for that school district in your county. This figure should be found on the 2009 final tax settlement.

The template will calculate the original charge tax dollar amount.

Utility Added Personal Valuation – Enter each school district's added utility personal valuation. This is the (2008) assessment value added to the original charge valuation for utility personal property for that school district in your county. This figure should be found on the 2009 final tax settlement.

The template will calculate the added tax dollar amount.

Utility Errors Personal Valuation – Enter each school district's errors for utility personal property valuation. This is the (2008) assessment value to be subtracted from the original charge valuation for utility personal property for that school district in your county. Enter errors as a positive number. The template will subtract appropriately. This figure should be found on the 2009 final tax settlement.

The template will calculate the errors tax dollar amount.

COMBINE SECTION

Net Tax Collected Real – Enter each school district's net tax collected for real estate property. This is the **total tax dollars collected** in the 2009 calendar year for 2008 assessments. This figure should be found on the 2009 final tax settlement.

Net Tax Collected Personal – Enter each school district's net tax collected for personal property. This is the **total tax dollars collected** in the 2009 calendar year for 2008 assessments. This figure should be found on the 2009 final tax settlement.

Net Tax Collected Utility Real – Enter each school district's net tax collected for utility real estate property. This is the **total tax dollars collected** in the 2009 calendar year for 2008 assessments. This figure will be blank if the county values all utility property as utility personal. This figure should be found on the 2009 final tax settlement.

Net Tax Collected Utility Personal – Enter each school district's net tax collected for utility personal property. This is the **total tax dollars collected** in the 2009 calendar year for 2008 assessments. This figure should be found on the 2009 final tax settlement.

Misc Debits/Credits – Enter any other **dollars received** by each school district from sources not accounted for anywhere else on this template. This is additional funds received and will be added to the total county funds.

Homestead Credit – Enter each school district's Homestead credit. This is the **dollar amount received** by the school district from the state as payment for property taxes. This figure should be found on the 2009 final tax settlement.

Collector's/Treasurer's Interest – Enter the **dollar amount received** by each school district from collector's and/or treasurer's interest. This is the dollar amount earned in interest from collector's and/or treasurer's accounts during the 2009 calendar year. This figure may be found on the 2009 final tax settlement.

Net Treasurer's Commission Taken – Enter net treasurer's commission **dollar amount prorated** to each school district. This is the total treasurer's commission minus any excess that was returned to county funds. In most cases, excess commissions are returned to county funds in March for the previous calendar year. Therefore, this entry should be the current year's total treasurer's commission minus any excess from the previous year that was returned to county funds in the current year (i.e. 2009 total treasurer's commission minus 2008 excess returned in 2009). This figure may be found in the treasurer's office.

COMBINE SECTION CONT'D.

Excess Collector's Commission – Enter excess collector's commission **dollar amount received** by each school district. This is the dollar amount returned to county funds from the collector's commission. In most cases, excess commissions are returned to county funds in March for the previous calendar year. Therefore, this entry should be the previous year's excess returned to county funds in the current year (i.e. 2010 report will show 2008 excess returned in 2009). This figure may be found in the collector's office.

Delinquent Personal Collected – Enter each school district's tax collected for delinquent personal property. This is the **total tax dollars collected** in the 2009 calendar year for late assessments. This includes all delinquent collections regardless of assessment year for which they were paid. Penalty fees may also be included in this figure.

Delinquent Real Collected - Enter each school district's tax collected for delinquent real estate property. This is the **total tax dollars collected** in the 2009 calendar year for late assessments. This includes all delinquent collections regardless of assessment year for which they were paid. Penalty fees may also be included in this figure.

Commissioner of State Lands – Enter the **dollar amount received** by each school district from the State Land Commissioner. This figure includes funds created from the redemption of property certified to the state in the 2009 calendar year.

Collector's Commission – Enter the **dollar amount prorated** to each school district for the collector's commission. This is the total dollar amount used to fund the collector's office for the 2009 calendar year. This is not a net figure; excess commission is entered separately on the template (see Excess Collector's Commission). This figure should be the total of regular Collector's Commission and the 4% Collector's Commission on Homestead Credit dollars received.

Assessor's Salary and Expense – Enter the **dollar amount prorated** to each school district for the assessor's salary and expense. This figure includes all money used to staff and operate the assessor's office. This figure should be found on the 2009 final tax settlement.

Cost Prorated Real – Enter the **dollar amount prorated** to each school district for the cost of collecting real estate taxes. This includes expenses incurred above office operations and salaries (i.e. newspaper advertising). This figure should be found on the 2009 final tax settlement.

COMBINE SECTION CONT'D.

Cost Prorated Personal - Enter the **dollar amount prorated** to each school district for the cost of collecting personal property taxes. This includes expenses incurred above office operations and salaries (i.e. newspaper advertising). This figure should be found on the 2009 final tax settlement.

Clerk's Fees – Enter **dollar amount prorated** to each school district for clerk's fees. This figure should be found on the 2009 final tax settlement.

Equalization Board – Enter **dollar amount prorated** to each school district for Equalization Board expenses.

Reappraisal Expense – Enter **dollar amount prorated** to each school district for reappraisal expenses. This is county funds spent on reappraisal above the state funded $7 per parcel per year. A county whose reappraisal is completely paid for by state funds will not have this expense.

Misc – Enter other **dollar amounts prorated** to each school district for miscellaneous expenses not accounted for anywhere else on this template. This is additional funds prorated and will be subtracted from total county funds.