



TIM GRIFFIN
ATTORNEY GENERAL

Opinion No. 2026-097

October 15, 2026

The Honorable Missy Irvin
State Senator
Post Office Box 106
Mountain View, Arkansas 72560

Dear Senator Irvin:

I am writing in response to your request for my opinion on Act 919 of 2025 and tax assessments for a school district that splits into multiple districts.

You report that on March 3, 2026, “voters within the boundaries of the Timbo and Rural Special schools voted to detach from the Mountain View School District under Act 919 of 2025”; the vote was certified on March 13, 2026; and “the detachment process was completed” on July 1, 2026. Further, you note that “these two new districts retain the same millage rate as the Mountain View School District,” but must “hold an election with a proposed tax millage rate at the next annual school election,” with both districts intending “to place a millage increase on the March 2027 ballot.”

Against this background, you ask five questions:

1. In light of the circumstances described, when is the earliest possible time for the county assessor to split the real estate and personal property assessments between the three resulting school districts in Stone County? There has been some suggestion that the assessed values cannot be split out until January 2027. But as explained with my request, this timeline is at odds with the requirement that the millage issue be included on the March 2027 ballot, as the accurate calculation of millage depends on obtaining assessed values before the mid-December ballot submission deadline.

Brief response: Although 2027 is the first assessment year in which Mountain View, Timbo, and Rural Special will exist as separate school districts throughout the entire assessment cycle, nothing in Act 919 of 2025 or the general assessment statutes requires the county assessor to wait until January 2027 to allocate existing assessments among the three districts for purposes of calculating millage rates and preparing for the March 2027 election.

BOB R. BROOKS JR. JUSTICE BUILDING
101 WEST CAPITOL AVENUE
LITTLE ROCK, ARKANSAS 72201

2. When is the proper time for the Public Service Commission to split the utility assessment between the three school districts in Stone County and submit this information to the county assessor?

Brief response: The Tax Division's first formal assessment and certification recognizing Mountain View, Timbo, and Rural Special as separate school districts should occur during the 2027 assessment cycle. Act 919 of 2025 does not prescribe a different timeline.

3. Detachment of Rural Special and Timbo from the Mountain View School District was completed on July 1, 2026, triggering a direct flow of state funding, including foundation funding, to the Rural Special School District and Timbo School District, respectively. But the local tax payments collected from taxpayers residing in all three school districts in Stone County are being distributed by the county treasurer solely to the Mountain View School District. Is this a proper distribution of the local tax revenue, or should revenue be apportioned across each of the three school districts based upon the school district that currently corresponds with each taxpayer's residence?
4. How does the requirement under Article 14, section 3(c)(3) of the Arkansas Constitution apply to the creation of new isolated school districts? Does the revenue derived from a tax levied for the benefit of the taxpayer follow the taxpayer and his or her corresponding real, personal, and utility property as district lines shift beneath them?
5. Finally, if the Stone County Treasurer is properly distributing local taxes, then when is the earliest date that the Rural Special and Timbo School Districts must begin receiving local taxes remitted by taxpayers within their respective districts? May Stone County discretionarily distribute tax revenue to the new school districts prior to the date that revenues must be distributed?

Brief response: To answer Questions 3, 4, and 5 together, while the same millage rate continues to be levied on property within the detached districts until a new millage rate is approved, the revenues generated from that property must be directed to the detached district in which the property is located. Once Rural Special School District and Timbo School District became operative on July 1, 2026, local tax revenues remitted by taxpayers residing within their district boundaries should have been apportioned to those districts. If tax revenues attributable to the detached districts have been distributed elsewhere, Arkansas law recognizes certain remedies, although recovery may depend on whether the funds have already been expended.

DISCUSSION

The property subject to taxation for use by a school district falls into one of three categories: real property, personal property, and utility property. Together, these categories comprise the total tax assessment for a school district. The county assessor assesses real property; the taxpayers report and assess their tangible personal property; and the Tax Division of the Public Service Commission assesses the property of certain utilities.

School districts may levy taxes on both real and personal property. Such property taxes are measured in mills—in which a mill “represents \$1 of tax assessment per \$1,000 of the property’s assessed value.”¹ While there is no maximum limit on the number of mills that can be levied by school districts, each district must levy a minimum 25-mill tax (the Uniform Rate of Tax).² All school district millage rate increases must be approved by those voters within the school district. The county treasurer receives the tax revenues collected and distributes them to the individual school districts.

Act 919 of 2025 created the legal process for school districts that were once isolated but consolidated or annexed into another school district to detach from such a district and once again become an isolated school district.

Question 1: In light of the circumstances described, when is the earliest possible time for the county assessor to split the real estate and personal property assessments between the three resulting school districts in Stone County? There has been some suggestion that the assessed values cannot be split out until January 2027. But as explained with my request, this timeline is at odds with the requirement that the millage issue be included on the March 2027 ballot, as the accurate calculation of millage depends on obtaining assessed values before the mid-December ballot submission deadline.

Personal and real property are assessed annually. The county assessor must appraise and assess all real property situated within the county between the first Monday in January and July 1 of each year.³ Taxpayers assess their tangible personal property between January 1 and May 31, and the county assessor may list and assess such property through July 31. Under A.C.A. § 26-34-101, all real and personal property taxes assessed constitute a lien on the property from the first Monday of January of the year in which the assessment is made.

Although 2027 is the first assessment year in which Mountain View, Timbo, and Rural Special will exist as separate school districts throughout the entire assessment cycle, that does not mean that the county assessor must wait until January 2027 to determine the assessed value attributable to each district. The districts were legally established before completion of the 2026 assessment

¹ *Mill rate*, *Black’s Law Dictionary* 1188 (12th ed. 2024).

² Ark. Const. art. 14, § 3(b)(1); A.C.A. § 26-80-101.

³ A.C.A. § 26-26-1101.

rolls, and I have found nothing in Act 919 of 2025 or the general assessment statutes that would prohibit the assessor from allocating the existing 2026 assessments among the three districts based on their established boundaries and providing those values for purposes of calculating proposed millage rates and preparing for the March 2027 election.

Question 2: When is the proper time for the Public Service Commission to split the utility assessment between the three school districts in Stone County and submit this information to the county assessor?

Under § 26-26-1612, the Tax Division of the Arkansas Public Service Commission must assess the property of any utility company that it is required to assess. That is, the Division must “meet the first Monday in March of each year for the purpose of assessing” such utility property and have certified its assessment to county officials “[o]n or before July 15 of each year.”⁴ Once the Tax Division certifies its assessment to county officials, “neither the county assessor, the county equalization board, nor the county court has authority to change” it.⁵ The value of the tangible property assessed by the Tax Division is apportioned among school districts based on information fixed as of January 1 in the “current tax year.”⁶ It is the county treasurer—and not the Tax Division—who distributes taxes based on the certified assessment authorized by the Tax Division.⁷

Thus, the Tax Division’s first formal assessment and certification recognizing Mountain View, Timbo, and Rural Special as separate school districts should occur during the 2027 assessment cycle because January 1, 2027, is the first assessment date on which all three districts will exist as operational school districts throughout the assessment year. Act 919 of 2025 does not prescribe a different timeline. The property tax revenue arising out of the Tax Division’s assessments supports school districts through the Ad Valorem Tax Fund.⁸

Question 3: Detachment of Rural Special and Timbo from the Mountain View School District was completed on July 1, 2026, triggering a direct flow of state funding, including foundation funding, to the Rural Special School District and Timbo School District, respectively. But the local tax payments collected from taxpayers residing in all three school districts in Stone County are being distributed by the county treasurer solely to the Mountain View School District. Is this a proper distribution of the local tax revenue, or should revenue be apportioned across each of

⁴ A.C.A. §§ 26-26-1605(a)(1), 26-26-1612(b).

⁵ *Id.* § 26-26-1612(c).

⁶ A.C.A. § 26-26-1611; *see also* A.C.A. § 26-26-1602 (providing that certain utility businesses must file a statement showing “the amount, kind, and value of the property as of January 1 next preceding the filing of the annual statement”).

⁷ *See* A.C.A. § 26-26-1616.

⁸ *Id.*

the three school districts based upon the school district that currently corresponds with each taxpayer's residence?

Question 4: How does the requirement under Article 14, section 3(c)(3) of the Arkansas Constitution apply to the creation of new isolated school districts? Does the revenue derived from a tax levied for the benefit of the taxpayer follow the taxpayer and his or her corresponding real, personal, and utility property as district lines shift beneath them?

Question 5: Finally, if the Stone County Treasurer is properly distributing local taxes, then when is the earliest date that the Rural Special and Timbo School Districts must begin receiving local taxes remitted by taxpayers within their respective districts? May Stone County discretionarily distribute tax revenue to the new school districts prior to the date that revenues must be distributed?

When a school district effectively detaches under Act 919 of 2025, the local tax revenues attributable to property located within the boundaries of the detached school district should be distributed to that particular district. Article 14, section 3 of the Arkansas Constitution provides, “No tax levied pursuant to subsection (c)(1) of this section shall be appropriated to any other district than that for which it is levied.”⁹ The Arkansas Supreme Court has interpreted this constitutional requirement to mean that, when school district boundaries change, school tax revenues follow the territory and the taxpayers from which they arose, even if the original school district levied the initial taxes.¹⁰ Accordingly, once Rural Special School District and Timbo School District became operative school districts on July 1, 2026, local tax revenues attributable to property within their respective boundaries should have been apportioned to those districts.

The millage rate of the detached school districts remains the same as that of the original school district until an election is held in the school district and a new rate is approved.¹¹ But while the same millage rate continues to be levied on the property within the detached district's boundaries, the revenues generated from that property ultimately belong to the detached districts.

If the original school district has already received tax revenue that belongs to the detached districts, Arkansas law recognizes certain remedies in disputes involving school tax revenues and their distribution. School tax funds erroneously distributed to the wrong school district and expended by that district for educational purposes generally cannot be recovered by the district entitled to the funds unless the district timely seeks an “injunction or other proper remedy to prevent the wrongful assessment, levy, and distribution of taxes” or files suit to recover the funds before they

⁹ Ark. Const. art. 14, § 3(c)(3); *see also* A.C.A. § 26-80-101(c).

¹⁰ *Sch. Dist. of Hartford v. W. Hartford Special Sch. Dist.*, 102 Ark. 261, 143 S.W. 895, 897 (1912); *Bonner v. Snipes*, 103 Ark. 298, 147 S.W. 56, 58 (1912); Ark. Att’y Gen. Op. 94-087.

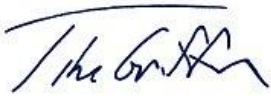
¹¹ A.C.A. § 6-13-1803.

are expended for educational purposes by the district that wrongfully received them.¹² But even when the funds have been expended for educational purposes, recovery may still be available if the funds were expended for the benefit of students in the original district rather than those of the detached district.¹³

Ultimately, the Rural Special School District and the Timbo School District became entitled to receive local taxes remitted by the taxpayers residing within their district boundaries when those districts became operative on July 1, 2026.

Assistant Attorney General William R. Olson prepared this opinion, which I hereby approve.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Griffin", with a horizontal line above it.

TIM GRIFFIN
Attorney General

¹² *Lepanto Special Sch. Dist. v. Marked Tree Special Sch. Dist.*, 173 Ark. 82, 291 S.W. 1006, 1007 (1927).

¹³ *Rural Special Sch. Dist. No. 22 v. McCrory Special Sch. Dist.*, 179 Ark. 195, 14 S.W.2d 1110, 1111–12 (1929).