

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

**Act 1100 of the Regular Session**

*As Engrossed: H3/5/07 H3/30/07*

**A Bill**

1 State of Arkansas  
2 86th General Assembly  
3 Regular Session, 2007

HOUSE BILL 1850

4  
5 By: Representatives Petrus, Abernathy, Adcock, Allen, Anderson, T. Baker, Berry, Blount, Bond, T.  
6 Bradford, Breedlove, E. Brown, J. Brown, Burkes, Burris, Cash, Cheatham, Chesterfield, Cook, Cooper,  
7 Cornwell, L. Cowling, D. Creekmore, Davenport, Davis, Dickinson, S. Dobbins, Dunn, Edwards, L.  
8 Evans, D. Evans, Everett, Flowers, Garner, Gaskill, George, Glidewell, R. Green, Greenberg, Hall,  
9 Hardwick, Hardy, Harrelson, Harris, Hawkins, House, Hoyt, D. Hutchinson, Hyde, Jeffrey, J. Johnson, D.  
10 Johnson, Kenney, Key, Kidd, King, Lamoureux, W. Lewellen, Lovell, Lowery, Maloch, M. Martin,  
11 Maxwell, Medley, Moore, Norton, Overbey, Pace, Pate, Patterson, Pennartz, Pickett, Pierce, Powers, S.  
12 Prater, Pyle, Ragland, Rainey, Reep, Reynolds, J. Roebuck, Rogers, Rosenbaum, Sample, Saunders,  
13 Schulte, Shelby, L. Smith, Stewart, Sullivan, Sumpter, Thyer, Wagner, Walters, Webb, Wells, Wills,  
14 Wood, Woods, Wyatt  
15 By: Senators Critcher, *Altes, Argue, Baker, Bisbee, Bookout, Broadway, Brown, Bryles, Capps, Crumbly,*  
16 *Faris, Glover, Hendren, Hill, Horn, J. Jeffress, G. Jeffress, B. Johnson, Laverty, Luker, Madison, Malone,*  
17 *Miller, B. Pritchard, Salmon, T. Smith, Steele, J. Taylor, R. Thompson, Trusty, Whitaker, Wilkins,*  
18 *Wilkinson, Womack*

19  
20  
21 **For An Act To Be Entitled**

22 AN ACT TO APPLY A PORTION OF STATE SURPLUS FUNDS  
23 TO FINANCE HIGHWAY CONSTRUCTION, RECONSTRUCTION  
24 AND MAINTENANCE, AND TO PROVIDE FUNDS FOR COUNTY  
25 AID AND MUNICIPAL AID; TO AUTHORIZE THE TRANSFER  
26 OF FUNDS; AND FOR OTHER PURPOSES.

27  
28 **Subtitle**

29 AN ACT TO FINANCE HIGHWAY CONSTRUCTION  
30 AND TO PROVIDE ADDITIONAL COUNTY AID AND  
31 MUNICIPAL AID.

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33  
34 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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1 SECTION 1. (a) This Act may be referred to and cited as the Highway  
2 Improvement Revenue Act of 2007.

3 (b) It is found by the General Assembly that in order to provide for  
4 adequate state highway construction, reconstruction, and maintenance, and for  
5 providing additional county aid and municipal aid, revenue must be available  
6 from the State surplus and dedicated as special revenue for the purpose of  
7 constructing, reconstructing and maintaining the state highway system and for  
8 providing additional funds for county aid and municipal aid.

9  
10 SECTION 2. In order to provide a source of revenue to finance highway  
11 construction, reconstruction, maintenance, and to provide additional monies  
12 for county aid and municipal aid, immediately upon the effective date of this  
13 act, the Chief Fiscal Officer of the State shall transfer on his books and  
14 those of the State Treasure and Auditor of State, the sum of *eighty* million  
15 dollars (\$80,000,000) from the General Revenue Allotment Reserve Fund, which  
16 immediately such sum shall be declared as special revenue, and disbursed as  
17 follows:

18 (1) Fifteen percent (15%) of the amount thereof to the County Aid  
19 Fund;

20 (2) Fifteen percent (15%) of the amount thereof to the Municipal Aid  
21 Fund; and

22 (3) Seventy percent (70%) of the amount thereof to the State Highway  
23 and Transportation Department Fund.

24 (b) *Funds disbursed to the County Aid Fund pursuant to this act,*  
25 *and as appropriated to the Department of Finance and Administration -*  
26 *Disbursing Officer, shall be used for supplementing the funds made available*  
27 *to each of the seventy five counties by the same distribution as authorized*  
28 *in Arkansas Code 19-5-602(c)(1)(A).*

29 *Funds disbursed to the Municipal Aid Fund pursuant to this act, and as*  
30 *appropriated to the Department of Finance and Administration - Disbursing*  
31 *Officer, shall be used for supplementing the distribution of funds*  
32 *apportioned to each city or incorporated town in the same proportion as*  
33 *authorized in Arkansas Code 19-5-601.*

34 *Funds disbursed to the County Aid Fund and the Municipal Aid Fund*  
35 *pursuant to this act may be expended on any legitimate county or municipal*  
36 *purpose and are not limited to expenditures for highway related purposes.*

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SECTION 3. Arkansas Code 27-70-207 is amended to read as follows:

27-70-207. Distribution to county funds.

(a)(1)(A) With the exception of those revenues transferred pursuant to Section 2 of the Highway Improvement Revenue Act of 2007, All all highway revenues transferred to the County Aid Fund under this subchapter shall be paid over by the Treasurer of State to the treasurers of the respective counties of this state for credit to the county highway fund, there to be used for the maintenance, construction, and reconstruction of roads and bridges in the county highway system, provided, however, that no more than twenty percent (20%) of the revenues received by a county during any fiscal year may also be used for public transportation.

(B) A county may also use these funds to construct and maintain parking for county courthouses, county administration buildings, county health units, and county parks and to construct and maintain sidewalks that serve county courthouses, county administration buildings, county health units, county parks, public schools, and other publicly owned property.

(C) A county may use these funds to pay for local projects eligible for funding under state programs of the Arkansas State Highway and Transportation Department and under federal programs of the Federal Highway Administration of the United States Department of Transportation.

(D) Furthermore, the funds may be used to install and maintain traffic signals where needed to preserve public health, safety, and welfare.

(E) A county may provide these funds to a regional mobility authority to match federal transportation funds for the financing of surface transportation system improvements on state highways, county roads, and city streets.

(2)(A) Funds disbursed to the County Aid Fund pursuant to Section 2 of the Highway Improvement Revenue Act of 2007 may be expended by the counties on any legitimate county purpose and are not limited to the uses set forth in subdivision (a)(1) of this section.

(B) Funds disbursed to the County Aid Fund pursuant to Section 2 of the Highway Improvement Revenue Act of 2007 shall be distributed to the various counties as are other funds contained in the County Aid Fund, pursuant to subdivision (a)(3) of this section.

~~(2)~~ (3) The Treasurer of State shall on or before the tenth day

1 next following the last day of each calendar month make distribution of the  
2 revenues on the following basis:

3 (A) Thirty-one percent (31%) of the amount according to area,  
4 with each county to receive the proportion that its area bears to the area of  
5 the state;

6 (B) Seventeen and one-half percent (17.5%) of the amount  
7 according to the amount of state motor vehicle license fees collected in the  
8 calendar year next preceding any distribution as certified to the Treasurer  
9 of State by the Director of the Department of Finance and Administration,  
10 with each county to receive the proportion that the total of fees collected  
11 from the county bears to the total of fees collected in the state;

12 (C) Seventeen and one-half percent (17.5%) of the amount  
13 according to population based upon the most recent federal decennial census,  
14 with each county to receive the proportion that its population bears to the  
15 population of the state;

16 (D) Thirteen and one-half percent (13.5%) of the amount  
17 according to rural population based upon the most recent federal decennial  
18 census, with each county to receive the proportion that its rural population  
19 bears to the rural population of the state; and

20 (E) Twenty and one-half percent (20.5%) of the amount shall be  
21 divided equally among the seventy-five (75) counties.

22 (b)(1)(A) With the exception of those revenues transferred  
23 pursuant to Section 2 of the Highway Improvement Revenue Act of 2007, All all  
24 highway revenues transferred to the Municipal Aid Fund under the provisions  
25 of this subchapter shall be paid over by the Treasurer of State to the  
26 treasurers of the respective cities of the first class, cities of the second  
27 class, and incorporated towns for credit to the street fund, there to be used  
28 for the maintenance, construction, and reconstruction of streets which are  
29 not continuations of state highways.

30 (B)(i) Provided, however, that cities with a population in  
31 excess of fifty thousand (50,000) inhabitants may use no more than ten  
32 percent (10%) of the revenues for public transportation.

33 (ii) All other cities may use no more than twenty percent (20%)  
34 of the revenues for public transportation.

35 (C) A city may provide these funds to a regional mobility  
36 authority to match federal transportation funds for the financing of surface

1 transportation system improvements on state highways, county roads, and city  
2 streets.

3 (2) The Treasurer of State shall on or before the tenth day next  
4 following the last day of each calendar month make distribution of the funds  
5 on the basis of population according to the most recent federal census, with  
6 the amount to be paid over to each city or incorporated town in the  
7 proportion that its population bears to the total population of all cities  
8 and towns.

9 (3)(A) Funds disbursed to the Municipal Aid Fund pursuant to  
10 Section 2 of the Highway Improvement Revenue Act of 2007 may be expended by  
11 the cities on any legitimate municipal purpose and are not limited to the  
12 uses set forth in subdivision (b)(1) of this section.

13 (B) Funds disbursed to the Municipal Aid Fund pursuant to  
14 Section 2 of the Highway Improvement Revenue Act of 2007 shall be distributed  
15 to the various cities as are other funds contained in the Municipal Aid Fund,  
16 pursuant to subdivision (b)(2) of this section.

17 (c)(1) All highway revenues transferred to the State Highway and  
18 Transportation Department Fund under the provisions of this subchapter shall  
19 be used for the construction, reconstruction, and maintenance of highways and  
20 bridges in the state highway system.

21 (2)(A) However, the department may use highway revenues  
22 transferred to the State Highway and Transportation Department Fund for the  
23 installation, upgrading, or improvement of any highway-railroad crossing  
24 safety device, railroad crossing traffic control device, warning lights,  
25 crossing gates, or other railroad crossing safety devices at public highway  
26 railroad crossings and for the construction, reconstruction, and maintenance  
27 of any highway-railroad crossing, including the construction or installation  
28 of any underpasses or overpasses.

29 (B) Except for the construction or installation of underpasses  
30 or overpasses, the department's goal is to expend one dollar (\$1.00) of state  
31 funds for each dollar of federal funds received to improve railroad crossing  
32 safety and to reduce railroad crossing accidents.

33 (C) It is the intent of this subdivision (c)(2) to encourage the  
34 State Highway Commission to continue to upgrade the state's highway-railway  
35 crossings with traffic control devices, warning lights, crossing gates, and  
36 other appropriate devices in order to increase the safety of persons using

1 the state's highways.

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3 SECTION 4. Emergency clause. It is hereby found and determined by the  
4 Eighty-sixth General Assembly that there is an immediate need for the  
5 construction, reconstruction, and maintenance of highways and roads  
6 comprising the State highway system and to provide additional funds for  
7 county and municipal aid and that such programs cannot be accomplished  
8 without additional funding. Therefore, an emergency is declared to exist and  
9 this act being immediately necessary for the preservation of the public  
10 peace, health and safety shall become effective on the date of its approval  
11 by the Governor. If the bill is neither approved nor vetoed by the Governor,  
12 it shall become effective on the expiration of the period of time during  
13 which the Governor may veto the bill. If the bill is vetoed by the Governor  
14 and the veto is overridden, it shall become effective on the date the last  
15 house overrides the veto.

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17 /s/ Petrus, et al

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19 APPROVED: 4/4/2007