

Stricken language will be deleted and underlined language will be added.

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

As Engrossed: H3/6/19
A Bill

HOUSE BILL 1139

5 By: Joint Budget Committee
6

7 **For An Act To Be Entitled**

8 AN ACT TO MAKE AN APPROPRIATION FOR STATE TURNBACK
9 FOR COUNTIES AND MUNICIPALITIES BY THE OFFICE OF THE
10 TREASURER OF STATE FOR THE FISCAL YEAR ENDING JUNE
11 30, 2020; AND FOR OTHER PURPOSES.
12
13

14 **Subtitle**

15 AN ACT TO MAKE AN APPROPRIATION FOR STATE
16 TURNBACK FOR COUNTIES AND MUNICIPALITIES
17 BY THE OFFICE OF THE TREASURER OF STATE
18 FOR THE FISCAL YEAR ENDING JUNE 30, 2020;
19 AND FOR OTHER PURPOSES
20
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. APPROPRIATION - GENERAL REVENUES TO CITIES. There is hereby
25 appropriated, to the Office of the Treasurer of State, to be payable from the
26 Municipal Aid Fund, for the purpose of distributing General Revenue accruing
27 therein for the benefit of municipalities as provided by law by the Office of
28 Treasurer of State for the fiscal year ending June 30, 2020, the following:
29

30 ITEM	FISCAL YEAR
31 <u>NO.</u>	<u>2019-2020</u>
32 (01) GENERAL REVENUES - CITIES	<u>\$29,372,099</u>

33
34 SECTION 2. APPROPRIATION - SPECIAL REVENUES TO CITIES. There is hereby
35 appropriated, to the Office of the Treasurer of State, to be payable from the
36 Municipal Aid Fund, for distributing Special Revenues accruing therein for



1 the benefit of municipalities as provided by law, by the Office of Treasurer
2 of State for the fiscal year ending June 30, 2020, the following:

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4 ITEM	FISCAL YEAR
5 <u>NO.</u>	<u>2019-2020</u>
6 (01) SPECIAL REVENUES - CITIES	<u>\$190,000,000</u>

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8 SECTION 3. APPROPRIATION - GENERAL REVENUES TO COUNTIES. There is
9 hereby appropriated, to the Office of the Treasurer of State, to be payable
10 from the County Aid Fund, for the purpose of distributing General Revenue
11 accruing therein for the benefit of counties as provided by law, by the
12 Office of Treasurer of State for the fiscal year ending June 30, 2020, the
13 following:

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15 ITEM	FISCAL YEAR
16 <u>NO.</u>	<u>2019-2020</u>
17 (01) GENERAL REVENUE - COUNTIES	<u>\$21,428,616</u>

18

19 SECTION 4. APPROPRIATION - SPECIAL REVENUES TO COUNTIES. There is
20 hereby appropriated, to the Office of the Treasurer of State, to be payable
21 from the County Aid Fund, for the purpose of distributing any monies provided
22 by Highway Turnback, Severance Taxes to counties, and any other monies
23 provided by the Acts of the General Assembly for the benefit of counties, by
24 the Office of Treasurer of State for the fiscal year ending June 30, 2020,
25 the following:

26

27 ITEM	FISCAL YEAR
28 <u>NO.</u>	<u>2019-2020</u>
29 (01) SPECIAL REVENUE - COUNTIES	<u>\$205,000,000</u>

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31 SECTION 5. APPROPRIATION - UNANTICIPATED SPECIAL REVENUES. There is
32 hereby appropriated, to the Office of the Treasurer of State, to be payable
33 from the County Aid Fund, from unanticipated monies received from the sale or
34 lease of minerals, oil and gas on federal military lands or from other
35 unanticipated special revenues, for the transfer to those counties to which
36 such monies are allocated by law, by the Office of Treasurer of State for the

1 fiscal year ending June 30, 2020, the following:

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3 ITEM	FISCAL YEAR
4 <u>NO.</u>	<u>2019-2020</u>
5 (01) UNANTICIPATED SPECIAL REVENUES	<u>\$20,000,000</u>

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7 SECTION 6. APPROPRIATION - REAL PROPERTY TAX REDUCTION - COUNTIES.

8 There is hereby appropriated, to the Office of the Treasurer of State, to be
 9 payable from the Property Tax Relief Trust Fund, for distributing funds
 10 provided by a statewide property tax reduction to counties, by the Office of
 11 Treasurer of State for the fiscal year ending June 30, 2020, the following:

12

13 ITEM	FISCAL YEAR
14 <u>NO.</u>	<u>2019-2020</u>
15 (01) DISTRIBUTION TO COUNTIES FOR PROPERTY 16 TAX RELIEF	<u>\$300,000,000</u>

17

18 SECTION 7. APPROPRIATION - PROPERTY TAX RELIEF FUND REVENUES

19 DISTRIBUTION TO COUNTIES. There is hereby appropriated, to the Office of the
 20 Treasurer of State, to be payable from the Property Tax Relief Trust Fund,
 21 for accruing therein for the benefit of counties to be distributed using the
 22 formula for the County Aid Fund under §19-5-602(c), by the Office of
 23 Treasurer of State for the fiscal year ending June 30, 2020, the following:

24

25 ITEM	FISCAL YEAR
26 <u>NO.</u>	<u>2019-2020</u>
27 (01) DISTRIBUTION TO COUNTIES	<u>\$4,000,000</u>

28

29 SECTION 8. APPROPRIATION - PROPERTY TAX RELIEF FUND REVENUES

30 DISTRIBUTION TO CITIES. There is hereby appropriated, to the Office of the
 31 Treasurer of State, to be payable from the Property Tax Relief Trust Fund,
 32 for accruing therein for the benefit of municipalities to be distributed
 33 using the formula for the Municipal Aid Fund under §19-5-601(c), by the
 34 Office of Treasurer of State for the fiscal year ending June 30, 2020, the
 35 following:

36

1	ITEM	FISCAL YEAR
2	<u>NO.</u>	<u>2019-2020</u>
3	(01) DISTRIBUTION TO CITIES	<u>\$2,000,000</u>

4

5 SECTION 9. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
6 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
7 DISTRIBUTION OF FUNDS. Funding provided in Property Tax Relief Fund Revenues
8 Distribution to Counties and Property Tax Relief Fund Revenues Distribution to
9 Cities of this Act from the Property Tax Relief Trust Fund shall not be
10 distributed unless there are sufficient funds in the Property Tax Relief Trust
11 Fund as of the date that the Chief Fiscal Officer of the State certifies the
12 amount in excess of the required reimbursement to the counties as provided in
13 §26-26-310(b)(2)(C)(i). If there are sufficient funds remaining in the
14 Property Tax Relief Trust Fund on December 31, ~~2018~~ 2019, as certified, the
15 Treasurer shall distribute two million dollars (\$2,000,000) to counties and
16 two million dollars (\$2,000,000) to cities for the fiscal year ending June 30,
17 ~~2019~~ 2020 from the balance remaining on December 31, ~~2018~~ 2019 from the
18 Property Tax Relief Trust Fund. The distribution to counties shall be made in
19 accordance with the distribution formula in §19-5-602(c). The distribution to
20 cities shall be made in accordance with the distribution formula in §19-5-
21 601(b). The funds attributable to sales and use taxes levied prior to July 1,
22 ~~2018~~ 2019 shall not be transferred from the Property Tax Relief Trust Fund to
23 the cities and counties.

24 The provisions of this section shall be in effect only from July 1, ~~2018~~
25 2019 through June 30, ~~2019~~ 2020.

26

27 SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
28 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. COUNTY
29 TURNBACK - UNANTICIPATED FUNDS. The appropriation authorized for General
30 Revenue to Counties or any other appropriation as provided by the General
31 Assembly for aid to counties may be supplemented, if necessary, by a transfer
32 from the appropriation provided for Unanticipated Special Revenues in this
33 Act.

34 The provisions of this section shall be in effect only from July 1, ~~2018~~
35 2019 through June 30, ~~2019~~ 2020.

36

1 SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
2 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. LOANS TO
3 CITIES AND COUNTIES. On July 1 of each fiscal year, the Chief Fiscal Officer
4 of the State shall request a transfer by the State Treasurer from the Budget
5 Stabilization Trust Fund to the County Aid Fund and to the Municipal Aid Fund
6 to assist the various cities and counties in meeting cash flow needs early in
7 the state fiscal year. The transfer shall be a loan to be repaid in equal
8 installments from general revenue distributions each month during the fiscal
9 year for which the loan was made and shall be in addition to any other loans
10 authorized by law for the County Aid and Municipal Aid Funds. The amount of
11 such loan for each fiscal year shall be \$3,517,657 to the Municipal Aid Fund
12 and \$1,906,079 to the County Aid Fund, or so much thereof as may be available
13 in the Budget Stabilization Trust Fund as determined by the Chief Fiscal
14 Officer of the State. Upon such transfer being completed, the State
15 Treasurer shall immediately distribute such funds to each of the several
16 municipalities and counties in the same manner as general revenues are
17 distributed.

18 It is the intent of the General Assembly that the Chief Fiscal Officer of the
19 State and the State Treasurer shall make every reasonable, and financially
20 sound effort to insure that local governments receive the full amount of the
21 loan authorized herein on July 1 of each year and that the monies authorized
22 for local governments from general revenues be distributed in equal monthly
23 payments.

24 The provisions of this section shall be in effect only from July 1, ~~2018~~
25 2019 through June 30, ~~2019~~ 2020.

26
27 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
28 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. CARRY
29 FORWARD. At the close of each fiscal year any unexpended funds for the
30 County Aid and Municipal Aid line items shall be carried forward and
31 distributed pursuant and in addition to the funding formula established under
32 A.C.A 19-5-601 and 19-5-602 within forty-five (45) days.

33 Any carry forward of unexpended balance of funding as authorized herein,
34 may be carried forward under the following conditions:

35 (1) Prior to June 30, ~~2019~~ 2020 the Agency shall by written statement
36 set forth its reason(s) for the need to carry forward said funding to the

1 Department of Finance and Administration Office of Budget;

2 (2) The Department of Finance and Administration Office of Budget shall
3 report to the Arkansas Legislative Council all amounts carried forward by the
4 September Arkansas Legislative Council or Joint Budget Committee meeting
5 which report shall include the name of the Agency, Board, Commission or
6 Institution and the amount of the funding carried forward, the program name
7 or line item, the funding source of that appropriation and a copy of the
8 written request set forth in (1) above;

9 (3) Each Agency, Board, Commission or Institution shall provide a
10 written report to the Arkansas Legislative Council or Joint Budget Committee
11 containing all information set forth in item (2) above, along with a written
12 statement as to the current status of the project, contract, purpose etc. for
13 which the carry forward was originally requested no later than thirty (30)
14 days prior to the time the Agency, Board, Commission or Institution presents
15 its budget request to the Arkansas Legislative Council/Joint Budget
16 Committee; and

17 (4) Thereupon, the Department of Finance and Administration shall
18 include all information obtained in item (3) above in the budget manuals
19 and/or a statement of non-compliance by the Agency, Board, Commission or
20 Institution.

21 The provisions of this section shall be in effect only from July 1, ~~2018~~
22 2019 through June 30, ~~2019~~ 2020.

23

24 SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
25 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TURNBACK
26 REPORTING. Each calendar year each county and municipality receiving total
27 highway revenues and highway severance turnback per A.C.A 27-70-207 and A.C.A
28 26-58-124 of \$2,000,000 or more shall report to the House Public
29 Transportation Committee and the Senate Transportation, Technology and
30 Legislative Affairs Committee indicating how highway revenues and highway
31 severance turnback funds were utilized. The report shall include a general
32 ledger accounting of the city or county street/road fund. The county report
33 shall be made utilizing the County Financial Management System of tracking
34 county revenues and expenditures. The report shall also include the
35 percentage of the street/road fund that is comprised of state funds. Further,
36 the report shall include details of each contracted project including type

1 and description of project and total amount of money spent on the project.
2 The report shall be submitted annually no later than March 15th for the
3 previous year's projects.

4 The provisions of this section shall be in effect only from July 1, ~~2018~~
5 2019 through June 30, ~~2019~~ 2020.

6
7 SECTION 14. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
8 authorized by this act shall be limited to the appropriation for such agency
9 and funds made available by law for the support of such appropriations; and
10 the restrictions of the State Procurement Law, the General Accounting and
11 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
12 Procedures and Restrictions Act, or their successors, and other fiscal
13 control laws of this State, where applicable, and regulations promulgated by
14 the Department of Finance and Administration, as authorized by law, shall be
15 strictly complied with in disbursement of said funds.

16
17 SECTION 15. LEGISLATIVE INTENT. It is the intent of the General
18 Assembly that any funds disbursed under the authority of the appropriations
19 contained in this act shall be in compliance with the stated reasons for
20 which this act was adopted, as evidenced by the Agency Requests, Executive
21 Recommendations and Legislative Recommendations contained in the budget
22 manuals prepared by the Department of Finance and Administration, letters, or
23 summarized oral testimony in the official minutes of the Arkansas Legislative
24 Council or Joint Budget Committee which relate to its passage and adoption.

25
26 SECTION 16. EMERGENCY CLAUSE. It is found and determined by the
27 General Assembly, that the Constitution of the State of Arkansas prohibits
28 the appropriation of funds for more than a one (1) year period; that the
29 effectiveness of this Act on July 1, 2019 is essential to the operation of
30 the agency for which the appropriations in this Act are provided, and that in
31 the event of an extension of the legislative session, the delay in the
32 effective date of this Act beyond July 1, 2019 could work irreparable harm
33 upon the proper administration and provision of essential governmental
34 programs. Therefore, an emergency is hereby declared to exist and this Act
35 being necessary for the immediate preservation of the public peace, health
36 and safety shall be in full force and effect from and after July 1, 2019.

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/s/Joint Budget Committee