

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, H3/26/19

# A Bill

HOUSE BILL 1139

5 By: Joint Budget Committee  
6

## 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.  
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## Subtitle

14 AN ACT TO MAKE AN APPROPRIATION FOR STATE  
15 TURNBACK FOR COUNTIES AND MUNICIPALITIES  
16 BY THE OFFICE OF THE TREASURER OF STATE  
17 FOR THE FISCAL YEAR ENDING JUNE 30, 2020;  
18 AND FOR OTHER PURPOSES  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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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:  
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ITEM	FISCAL YEAR
<u>NO.</u>	<u>2019-2020</u>
(01) GENERAL REVENUES - CITIES	<u>\$29,372,099</u>

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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>

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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:

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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:

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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>

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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:

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

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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:

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

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

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

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

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

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.

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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.

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24 *SECTION 13. Arkansas Code § 27-70-207, concerning distribution of*  
25 *highway revenues to cities and counties, is amended to add an additional*  
26 *subsection to read as follows:*

27 (f) A county or municipality that receives a distribution under this  
28 section or under § 26-58-124 of two million dollars (\$2,000,000) or more  
29 shall report annually by March 15 to the House Committee on Public  
30 Transportation and the Senate Committee on Public Transportation, Technology,  
31 and Legislative Affairs the following information regarding the use of the  
32 funds in the previous year:

33 (1) The use of the funds;

34 (2)(A) A general ledger accounting of the city street or road  
35 fund or the county street or road fund.

36 (B) The county street or road fund general ledger

1 accounting shall be made using the County Financial Management System of  
2 tracking county revenues and expenditures;

3 (3) The percentage of the city street or road fund or county  
4 street or road fund that is comprised of state funds; and

5 (4) The details of each contracted project, including without  
6 limitation the type and description of the contracted project and the total  
7 amount expended on the contracted project.

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

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

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

1 and safety shall be in full force and effect from and after July 1, 2019.

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*/s/Joint Budget Committee*