

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 1476 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009

As Engrossed: S3/16/09

A Bill

SENATE BILL 868

4
5 By: Senator Faris
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8 **For An Act To Be Entitled**

9 AN ACT TO SIMPLIFY AND CLARIFY THE METHOD OF
10 DISTRIBUTION OF MONEYS RECEIVED BY THE TREASURER
11 OF STATE FROM THE FEDERAL GOVERNMENT FOR A SALE,
12 LEASE, ROYALTY, BONUS, OR RENTAL OF OIL, GAS, OR
13 MINERAL LANDS BELONGING TO THE FEDERAL GOVERNMENT
14 AND LOCATED IN THIS STATE; AND FOR OTHER
15 PURPOSES.
16

17 **Subtitle**

18 TO SIMPLIFY THE METHOD OF DISTRIBUTION
19 OF MONEYS RECEIVED BY THE STATE FOR OIL
20 AND GAS LEASES ON LAND BELONGING TO THE
21 FEDERAL GOVERNMENT AND LOCATED IN THE
22 STATE.
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24
25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

27 *SECTION 1. Arkansas Code § 19-7-402(d)(1), concerning the receipt and*
28 *distribution of federal funds from the sale of public domain lands and leases*
29 *is amended to read as follows:*

30 *(d)(1) ~~It shall be the duty of the Department of Education to The~~*
31 *Treasurer of State shall distribute that portion of the funds ~~accruing that~~*
32 *accrue to the schools to the respective counties, and ~~the duty of the Auditor~~*
33 *~~of State~~ to distribute the funds ~~accruing~~ that accrue to the county road*
34 *funds.*
35



1 SECTION 2. Arkansas Code § 19-7-801 is amended to read as follows:

2 ~~19-7-801. Federal lands other than military Federal lands.~~

3 ~~(a) Such funds as are received from and after April 15, 1983, by the~~
4 ~~Treasurer of State from the federal government on account of the sale of~~
5 ~~minerals, oil, and gas or the lease of minerals, oil, and gas on lands other~~
6 ~~than military lands belonging to the federal government located in the state~~
7 ~~shall be deposited into the State Treasury, and the Treasurer of State shall~~
8 ~~credit the funds as follows:~~

9 ~~(1) All these funds received during each calendar year shall be~~
10 ~~first distributed to the respective counties in which the funds were~~
11 ~~generated until the benefiting counties receive a distribution of these funds~~
12 ~~equal to the amount of the funds received in the 1981-82 fiscal year, and all~~
13 ~~moneys in excess of the amount generated in the counties in excess of the~~
14 ~~amount received in the 1981-82 fiscal year shall be retained by the Treasurer~~
15 ~~of State for distribution as provided in subdivision (a)(2) of this section.~~
16 ~~Funds received by each benefiting county under this subsection shall be~~
17 ~~allocated in the same proportion, to be used for the same purposes as funds~~
18 ~~received by each county under the provisions of subdivision (a)(2) of this~~
19 ~~section.~~

20 ~~(2) After the requirements of subdivision (a)(1) have been met~~
21 ~~each year, all additional funds so deposited into the State Treasury shall be~~
22 ~~credited by the Treasurer of State as follows:~~

23 ~~(A) Fifty percent (50%) of the funds shall be credited to~~
24 ~~the General Revenue Fund Account of the State Apportionment Fund, for~~
25 ~~distribution to the various funds participating in the distribution of~~
26 ~~general revenues in the respective proportions to each such fund, to be used~~
27 ~~for the respective purposes as set forth in the Revenue Stabilization Law, §~~
28 ~~19-5-101 et seq.;~~

29 ~~(B) Fifty percent (50%) of the funds shall be distributed~~
30 ~~to the counties having land in the nonmilitary federal installation from~~
31 ~~which the sale or lease of minerals, oil, or gas has generated the funds,~~
32 ~~with each county to receive a proportionate part of the funds equal to the~~
33 ~~ratio of the total number of acres of land in the federal installation in~~
34 ~~each county as the acreage bears to the total number of acres of the federal~~
35 ~~installation in all counties having land in the federal installation to be~~
36 ~~distributed by the Treasurer of State as follows:~~

1 ~~(i) Sixty percent (60%) of the funds to be~~
2 ~~transferred to the Public School Fund, to be distributed by the Department of~~
3 ~~Education to the school districts whose boundaries include a portion of the~~
4 ~~nonmilitary federal installation in the counties. Should there be more than~~
5 ~~one (1) school district whose boundaries include a portion of the federal~~
6 ~~installation within a county receiving these funds, then each school district~~
7 ~~in that county shall receive a proportionate share of the funds allocated by~~
8 ~~this section to the Public School Fund for the county, to be distributed as~~
9 ~~follows:~~

10 ~~(a) Fifty percent (50%) of the funds shall be~~
11 ~~divided between the school districts based on the ratio of the total number~~
12 ~~of acres of land in each school district within the boundaries of the federal~~
13 ~~installation in the county as the acreage bears to the total number of acres~~
14 ~~in the federal installation in the county; and~~

15 ~~(b) The other fifty percent (50%) of the funds~~
16 ~~shall be divided between the school districts based on the most recent~~
17 ~~average daily membership of each school district as defined in § 6-20-303~~
18 ~~{Repealed.};~~

19 ~~(ii) Fifteen percent (15%) of the funds shall be~~
20 ~~distributed to the County Aid Fund, to be distributed by the Treasurer of~~
21 ~~State to the county road funds of the counties to which these moneys are~~
22 ~~allocated;~~

23 ~~(iii) Twenty five percent (25%) of the funds shall~~
24 ~~be distributed to the County Aid Fund, for distribution by the Treasurer of~~
25 ~~State to the county treasurer of the county to which the funds are to be~~
26 ~~distributed. Upon receipt of these funds, the county treasurer of the county~~
27 ~~shall distribute the funds to the county general fund and to the respective~~
28 ~~cities, towns, school districts, community college districts, and county and~~
29 ~~municipal libraries in the county in a proportion that each taxing unit~~
30 ~~shares in the real and personal property taxes collected in the county, with~~
31 ~~the exception that the school districts in the county and the county road~~
32 ~~fund which received a distribution as set out in subdivisions~~

33 ~~(a)(2)(B)(2)(i)-(iii) of section shall not be entitled to receive an~~
34 ~~additional share of the funds to be distributed under this subdivision.~~

35 ~~(b) The provisions of this section shall govern with respect to such~~
36 ~~funds as are received by the Treasurer of State from the federal government~~

~~on account of the sale of minerals, oil, and gas or the lease of minerals, oil, and gas on lands other than military lands belonging to the the federal government located in this state and shall supersede, and be in lieu of, the method provided for the distribution and use of federal Mineral Leasing Act moneys received by the State of Arkansas as provided in § 19-7-402 Moneys received by the Treasurer of State from the federal government for a sale, lease, royalty, bonus, or rental of oil, gas, or mineral lands belonging to the federal government and located in this state shall be distributed under this section.~~

(b) Moneys received under subsection (a) of this section by and after September 1, 2008, by the Treasurer of the State shall be credited by the Treasurer of State as follows:

(1) Fifty percent (50%) of the moneys received shall be credited to the General Revenue Fund Account of the State Apportionment Fund for distribution to various funds that participate in the distribution of general revenues in the respective proportion to each fund, to be used for the purposes under the Revenue Stabilization Law, § 19-5-101 et seq.; and

(2) Fifty percent (50%) of the moneys received shall be distributed to the counties in which the federal lands that generate the moneys are located according to federal reports that identify the counties with the federal lands that generate the moneys. Moneys under this subdivision (b)(2) shall be distributed by the Treasurer of the State as follows:

(A) Sixty percent (60%) of the moneys shall be distributed to the County Aid Fund, to be distributed by the Treasurer of State to the county treasurer of each county that has a school district with a boundary that includes a portion of the federal lands that generate the moneys.

(i) A county is responsible for distributing moneys under subdivision (b)(2)(A)(i) of this section to a school district with a boundary that includes a portion of the federal lands that generate the moneys.

(ii) If there is more than one (1) school district with a boundary that includes a portion of the federal lands that generate the moneys within a county receiving these moneys, then each school district in that county shall receive a proportionate share of the moneys based on the school district's portion of the acreage over the total acreage in all

1 districts in that county; and

2 (B) Fifteen percent (15%) of the moneys received under
 3 subdivision (b)(2) of this section shall be distributed to the County Aid
 4 Fund, to be distributed by the Treasurer of State to the county treasurer for
 5 credit to the county road funds of the counties to which these moneys are
 6 allocated; and

7 (C) Twenty-five percent (25%) of the moneys received under
 8 subdivision (b)(2) of this section shall be distributed to the County Aid
 9 Fund, for distribution by the Treasurer of State to the county treasurer of
 10 the county to which the moneys are to be distributed.

11 (i) Except as provided under subdivision
 12 (b)(2)(C)(ii) of this section, on receipt of the moneys under subdivision
 13 (b)(2)(C) of this section, the county treasurer of the county shall
 14 distribute the moneys to the county general fund and to the respective
 15 cities, towns, school districts, community college districts, and county and
 16 municipal libraries in the county in the proportion that each taxing unit
 17 shares in the real and personal property taxes collected in the county.

18 (ii) A school district in the county that receives a
 19 distribution of funds under subdivisions (b)(2)(A) and (B) of this section
 20 and the county road fund that receives a distribution of funds under
 21 subdivisions (b)(2)(A) and (B) of this section are not entitled to receive an
 22 additional distribution of the funds under subdivision (b)(2)(C) of this
 23 section.

24
 25 SECTION 3. Arkansas Code § 19-7-802 is repealed.

26 ~~19-7-802. Federal military lands.~~

27 ~~(a) Such funds as are received from and after April 15, 1983, by the~~
 28 ~~Treasurer of State from the federal government on account of the sale of~~
 29 ~~minerals, oil, and gas or the lease of minerals, oil, and gas on military~~
 30 ~~lands belonging to the federal government located in this state, referred to~~
 31 ~~in this section as "federal military lands", shall be deposited into the~~
 32 ~~State Treasury, and the Treasurer of State shall credit funds as follows:~~

33 ~~(1) Fifty percent (50%) of the funds shall be credited to the~~
 34 ~~General Revenue Fund Account of the State Apportionment Fund, for~~
 35 ~~distribution to the various funds participating in the distribution of~~
 36 ~~general revenues in the respective proportions to each such fund, to be used~~

1 ~~for the respective purposes set forth in the Revenue Stabilization Law, § 19-~~
2 ~~5-101 et seq.;~~

3 ~~(2) Fifty percent (50%) of the funds shall be distributed to the~~
4 ~~counties having land in the military reservation from which the sale or lease~~
5 ~~of minerals, oil, or gas has generated such funds, with each county to~~
6 ~~receive a proportionate part equal to the ratio of the total number of acres~~
7 ~~of federal military lands in each county as the land bears to the total~~
8 ~~acreage of the federal military lands in all the counties having such lands~~
9 ~~in them, to be distributed by the Treasurer of State as follows:~~

10 ~~(A) Sixty percent (60%) of the funds to be transferred to~~
11 ~~the Public School Fund, to be distributed by the Department of Education to~~
12 ~~the school districts whose boundaries include a portion of the federal~~
13 ~~military lands in these counties. Should there be more than one (1) school~~
14 ~~district whose boundaries include a portion of the federal military lands~~
15 ~~within a county receiving these funds, then each school district in that~~
16 ~~county shall receive a proportionate share of the funds allocated by this~~
17 ~~section to the Public School Fund for the county, to be distributed as~~
18 ~~follows:~~

19 ~~(i) Fifty percent (50%) of the funds shall be~~
20 ~~divided between the school districts based on the ratio of the total number~~
21 ~~of acres of federal military lands in each school district in the county as~~
22 ~~the acreage bears to the total number of acres in the federal military lands~~
23 ~~in the county; and~~

24 ~~(ii) The other fifty percent (50%) of the funds~~
25 ~~shall be divided between the school districts based on the most recent~~
26 ~~average daily membership of each school district as defined in § 6-20-303~~
27 ~~{repealed};~~

28 ~~(B) Fifteen percent (15%) of the funds to the County Aid~~
29 ~~Fund, to be distributed by the Treasurer of State to the county road fund of~~
30 ~~the county to which the moneys are allocated; and~~

31 ~~(C) Twenty five percent (25%) of the funds to the County~~
32 ~~Aid Fund for distribution by the Treasurer of State to the county treasurer~~
33 ~~of the county to which the funds are to be distributed. Upon receipt of these~~
34 ~~funds, the county treasurer of the county shall distribute the funds to the~~
35 ~~county general fund and to the respective cities, towns, school districts,~~
36 ~~community college districts, and county and municipal libraries in the county~~

1 ~~in a proportion that each taxing unit shares in the real and personal~~
 2 ~~property taxes as collected in the county, with the exception that the school~~
 3 ~~districts in the county and the county road fund which received a~~
 4 ~~distribution as set out in subdivisions (a)(2)(A) and (B) of this section~~
 5 ~~shall not be entitled to receive an additional share of the funds to be~~
 6 ~~distributed under subdivision (a)(2)(C) of this section.~~

7 ~~(b) The provisions of this section shall govern with respect to such~~
 8 ~~funds as are received by the Treasurer of State from the federal government~~
 9 ~~on account of the sale of minerals, oil, and gas or the lease of minerals,~~
 10 ~~oil, and gas on military lands belonging to the federal government located in~~
 11 ~~this state and shall be in lieu of the method provided for the distribution~~
 12 ~~and use of federal Mineral Leasing Act moneys received by the State of~~
 13 ~~Arkansas from federal lands, other than federal military lands, as provided~~
 14 ~~in § 19-7-402.~~

/s/ Faris

APPROVED: 4/10/2009

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