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19-5-601. Municipal Aid Fund.

(a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the Municipal Aid Fund.

This fund shall consist of:

(1) Such general revenues as may be made available to the fund by the Revenue Stabilization Law, § 19-5-101 et seq.;

(2) Such special revenues derived from highway user imposts, known as highway revenues, as may be made available to the fund for the benefit of municipalities by the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.; and

(3) Those special revenues as specified in § 19-6-301(135) of the Revenue Classification Law, § 19-6-101 et seq.

(b)(1) All of the general revenues and the special revenues shall be distributed within ten (10) days after the close of each calendar month to the respective cities of the first and second class and incorporated towns on the basis of population according to the most recent federal decennial or special census.

(2) The amount to be apportioned to each such city or incorporated town is to be in the proportion that each population bears to the total population of all such cities and incorporated towns.

(3) In the event of an annexation, the population of the annexed area, as certified by the United States Census Bureau of the federal Department of Commerce, may be added to the most recent federal decennial or special census of the annexing municipality.

(4)(A) The moneys received by the respective cities and incorporated towns under this section shall be revenues of the year in which received by them and shall not be revenues of the year in which such moneys were collected and paid into the State Treasury.

(B) Of the moneys so received by the respective cities and incorporated towns, the general revenues shall be used for general purposes of municipal government, and the special revenues derived from highway revenues shall be used as provided by the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.

(5)(A) In the event the Workers' Compensation Commission has paid claims from the Miscellaneous Revolving Fund on account of any municipal employee covered under workers' compensation, such amount is to be deducted from general revenue turnback as provided by §§ 14-26-103 and 14-60-103.

(B) The moneys so deducted are to be transferred to the Miscellaneous Revolving Fund, there to be used as provided by law.

(c) It shall be unlawful for the Treasurer of State to distribute any general revenues and special revenues to any cities or incorporated towns in this state that have expended funds belonging to such city or town for the payment of annual membership dues to, or for the purchase of services rendered by, the Arkansas Municipal League or any other league or association of cities in this state unless the books, affairs, and records of such Arkansas Municipal League or other league or association of cities and towns of this state receiving moneys from cities or towns has been audited by the Division of Legislative Audit or consent for such audit by the Division of Legislative Audit has been given by any such league or association. The Division of Legislative Audit is authorized to audit the books, affairs, and records of the Arkansas Municipal League or any other league or association of cities or incorporated towns in this state, upon request thereof by the appropriate officials of such league or associations.

(d) In the event that the United States Census Bureau of the federal Department of Commerce determines that the population for a municipality is more than was originally certified in the decennial census or the population for a municipality was incorrectly assigned to another municipality and a census count correction or a correction to the designated municipality is received from the United States Census Bureau by the appropriate officials of the state, the Treasurer of State shall determine the amount of general and special revenue that the municipality should have received based upon the corrected census count. Such amounts are to be submitted to the Arkansas State Claims Commission for inclusion in the appropriation bill requested from the General Assembly for approved claims.

History. Acts 1973, No. 750, § 7; 1977, No. 732, § 1; 1981, No. 342, § 2; 1983, No. 816, § 1; A.S.A. 1947, § 13-523; Acts 1987, No. 22, § 1; 1989, No. 629, § 7; 1993, No. 1080, § 1; 1995, No. 331, § 1; 1995, No. 1163, § 14; 1997, No. 1248, § 11.

19-5-602. County Aid Fund.

(a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the "County Aid Fund".

(b) The County Aid Fund shall consist of:

(1) The general revenues as may be provided by the Revenue Stabilization Law, § 19-5-101 et seq., to the County Aid Fund;

(2) Such special revenues derived from highway user imposts, known as highway revenues, as may be provided by the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.;

(3) Those special revenues as set out in § 19-6-301(74) and (117) and thirty-four percent (34%) of those special revenues as specified in § 19-6-301(20) of the Revenue Classification Law, § 19-6-101 et seq.; and

(4) Twenty-five percent (25%) of all severance taxes other than those imposed upon saw timber and timber products as set out in § 19-6-301(18) of the Revenue Classification Law, § 19-6-101 et seq.

(c) All of the general revenues and special revenues shall be distributed within ten (10) days after the close of each calendar month to the respective counties as follows:

(1)(A) The general revenues made available to the County Aid Fund by the Revenue Stabilization Law, § 19-5-101 et seq., shall be distributed with seventy-five percent (75%) divided equally among the seventy-five (75) counties of this state and twenty-five percent (25%) distributed on the basis of population according to the most recent federal decennial or special census, with each county to receive the proportion that its population bears to the total population of the state.

(B) The moneys so received by the county treasurer shall be credited to the county general fund to be used for general county purposes, unless otherwise appropriated by the quorum court;

(2) The special revenues distributed to the respective counties shall be distributed as may be authorized by law;

(3) All moneys received by the respective counties under this section shall be revenues of the year in which received by them and shall not be revenues of the year in which such moneys were collected and paid into the State Treasury; and

(4)(A) In the event the Workers' Compensation Commission has paid claims from the Miscellaneous Revolving Fund on account of any county employee covered under workers' compensation, this amount is to be deducted from county general revenue turnback funds as provided by §§ 14-26-103 and 14-60-103.

(B) Such moneys so deducted are to be transferred to the Miscellaneous Revolving Fund, there to be used as provided by law.

(d)(1) It shall be unlawful for the Treasurer of State to distribute any general revenues to any county in this state or any special revenues to any county in this state that has expended funds belonging to such county for the payments of annual membership dues to, or for the purchase of services rendered by, the Association of Arkansas Counties or to any other league or association of counties in this state unless the books, affairs, and records of such Association of Arkansas Counties or other league or association of counties in this state receiving moneys from the counties has been audited by the Division of Legislative Audit or consent for such audit by the

Division of Legislative Audit has been given by such league or association.

(2) The Division of Legislative Audit may audit the books of the Association of Arkansas Counties or any other league or association of counties in this state upon request of the Association of Arkansas Counties or other league or association of counties by the appropriate official of the league or association.

History. Acts 1973, No. 750, § 7; 1985, No. 888, § 4; A.S.A. 1947, § 13-523; Acts 1989, No. 629, § 8; 1991, No. 1135, § 6; 1995, No. 1163, § 15; 1997, No. 1248, § 12; 1999, No. 891, § 1; 2005, No. 2282, § 6; 2005, No. 2316, § 6.

Amendments. The 2005 amendment by identical acts Nos. 2282 and 2316 substituted "thirty-four percent (34%)" for "forty-five percent (45%)" in (a)(3).

Cross References. County Solid Waste Management System Aid Fund, § 8-6-301 et seq.