

# Procedures for Development of State Aid Construction Projects for Cities





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# **THE STATE AID STREET PROGRAM**

The State Aid Street program was created by Act 982 of 1975 and was funded with Federal Revenue Sharing Funds until 1981, at which time the revenue sharing program was eliminated. Act 1032 of 2011 amended Arkansas code by establishing the State Aid Street Program to be administered by a State Aid Street Committee, whose responsibilities would include determining which projects receive funding through the program.

On November 6, 2012, Arkansas voters approved Issue #1, a constitutional amendment, which temporarily increased the state sales tax to fund surface transportation improvements and permanently dedicated one cent per gallon of the existing motor fuel tax to the State Aid Street Fund.

State laws for the State Aid Street Program including the requirements for the State Aid Street Committee are under Arkansas Code Title 27, Chapter 72, Subchapters 3 and 4 et seq. (refer to appendices).

# THE STATE AID STREET COMMITTEE

The State Aid Street Committee was established to administer the State Aid Street Program by determining which projects receive funding through the Program.

1. The Committee consists of nine mayors appointed as follows:
  - Three mayors appointed by the Governor;
  - Three mayors appointed by the Speaker of the House of Representatives; and
  - Three mayors appointed by the President Pro Tempore of the Senate.
2. The Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate must each appoint at least one mayor from a municipality with a population in excess of 25,000.
3. Each appointed mayor will serve a term of four years, unless that mayor leaves office before the end of their term. In that case, a replacement mayor will be appointed to complete the term.
4. A mayor may serve two terms of four years.
5. A new Committee must be formed every four years.
6. The Committee must select a chair to serve a term of one year.
7. A quorum is necessary to transact the business of the Committee.
8. The Committee must meet at least quarterly each year.
9. The Committee may establish a formula or criteria to facilitate the identification and selection of State Aid Street projects.

## **STATE AID STREET PROJECT CRITERIA**

- In order to qualify for funding, roadway conditions for overlays must be fair, fair to poor, or poor.
- Construction funding for projects will be capped at \$250,000. If bids exceed the cap, then the city must agree to pay the overage amount or scale back the project.
- Projects requiring design work will be granted preliminary approval but not considered for construction funding until the engineering has been completed. The \$250,000 cap will apply to these projects.
- Projects approved for funding for less than \$250,000 but whose bid amounts are 10 percent higher than the approved estimated project cost must come back to the Committee for approval.
- Municipalities may submit one project per year on a calendar year basis, but priority will be given to those municipalities that have not had a project previously funded.
- Municipalities that have had a project approved for funding must wait until the following calendar year to submit another project and if not approved for funding, must resubmit the following calendar year.

The Committee expanded the scope of the program to make more types of streets eligible for funding. Streets that consist of loops, end in a cul-de-sac, or terminate at a public or commercial facility will not be considered “dead ends” and are eligible for funding. Also, streets with widths less than 18 feet are eligible for funding if there are no other suitable projects available to a municipality and the mayor submits a design exception request with the initial application.

# **GENERAL PROCEDURES FOR DEVELOPMENT OF STATE AID STREET CONSTRUCTION PROJECTS**

1. A written request from the city for a specific State Aid City Street project should be sent to the Committee.
2. The Committee will review the city's request and request that the Arkansas State Highway and Transportation Department's (AHTD's) State Aid Engineer begin preliminary scoping of the project.
3. An on-site inspection by the State Aid Engineer and District Engineer and the requesting city official, or their designated representative, will be held to determine the scope, eligibility, and preliminary cost estimate of the work.
4. A written description of the scope of work and preliminary cost estimate will be prepared by the State Aid Engineer, approved by AHTD's Assistant Chief Engineer–Design, and presented to the Committee.
5. The Committee will review the proposed project information and give their decision as to eligibility and priority to the State Aid Engineer.
6. Preliminary plans will be prepared by AHTD's State Aid Division.
7. An on-site inspection by the State Aid Engineer and District Engineer and the requesting city official, or their designated representative, will be held to obtain concurrence from the city of the proposed preliminary design.
8. Upon the city's approval of the preliminary design, final plans will be prepared by the State Aid Division.
9. Final plans will be approved by the State Aid Engineer and District Engineer, and city official.
10. The city is responsible for furnishing right-of-way, relocating persons if necessary, and adjusting utilities. The city will coordinate with utility companies to relocate any utilities from the proposed right-of-way.
11. Once the right-of-way is obtained and utilities moved, the city shall request, through the State Aid Engineer, the advertising of the proposed project by AHTD.
12. If applicable, the city shall place its matching share (construction deposit) of the Engineer's estimated construction cost in escrow with AHTD.
13. The project will be let to contract and awarded by the State Highway Commission (Commission), subject to the concurrence of the Committee.
14. The construction of the project will be managed by the Department.
15. The construction and final acceptance of the project will be provided by the Department and the City.
16. Upon completion of construction, a final accounting of funds will be made.

## RESPONSIBILITIES OF THE CITIES

1. When a city wishes to request a specific improvement project, the city will contact the Committee by letter to request a project be programmed. The following information should be provided:
  - Street name
  - Length of the project
  - Priority
  - Describe type of improvement
2. The Committee will review the city's request for a project and will forward it to the State Aid Engineer to begin scoping of the project when deemed appropriate. The State Aid Engineer, District Engineer, and the requesting city official or their designated representative will conduct an on-site inspection to determine the scope of the project. Based on the project scope, the State Aid Engineer will develop a preliminary cost estimate. Prior to Committee's consideration for funding, the city will pass a resolution agreeing to comply with the terms, provisions, and limitations of Arkansas Code Title 27, Chapter 72, Subchapter 4 et seq. For jobs requiring significant engineering design work, the city's resolution will also include requirements for a preliminary engineering deposit of two percent of the estimated construction costs from the City and a provision binding the city to possibly reimburse the State Aid Street fund for engineering expenses if the project is not constructed.
3. After the Committee approves funding and if the mayor or chief executive officer desires to proceed with the project as approved, AHTD will assign a job number and name to the project, request the preliminary engineering deposit if applicable, and proceed with design plan preparation.
4. All right-of-way required on State Aid Street projects will be acquired by the city, and any cost of right-of-way will not be considered a part of the cost of any project contemplated by Arkansas Code Title 27, Chapter 72, Subchapter 4 et seq. The city must furnish certification to the State Aid Engineer that they have acquired property rights to construct the project before a project can be advertised for bids.
5. All utility adjustments are to be secured by the city.
6. After plans and specifications are complete and prior to the advertising of the project for construction bids, the city will be sent the completed plans for a final review. The mayor or chief executive officer will notify the State Aid Engineer that the plans contain the requested scope of work and, if required, that the city has the necessary city matching funds available to advertise the project for construction bids.

After the State Aid Engineer and the city have approved the plans and the project is advertised, if applicable, the City shall place its matching share of the Engineers estimated construction cost in escrow with AHTD prior to opening of bids.

It is allowed in Arkansas Code Title 27, Chapter 72, Subchapter 4 et seq. for a city to competitively bid on their project. If the city desires to do this, a bid proposal can be obtained from AHTD upon request. However, the aggregate amount of the city's bid must not exceed \$165,000. By requesting a proposal, the city is not obligated to bid on the project but is obligated to accept the low bid received for the project if the city does submit a bid. If the city does not bid on the project, the bids are received and contracts awarded by the Arkansas Highway Commission in the same manner as regular state highway projects subject to the city's and Committee's concurrence.

When the bids are opened, AHTD will review the bids in consultation with the city, and a joint agreement will be reached regarding award of the contract or rejection of the bid. If the low bid amount exceeds 10 percent of the Engineer's estimate, the project cost will be resubmitted to the Committee for concurrence and approval prior to award. If the contract award amount is higher than the Engineer's estimate, the city will deposit with AHTD the city's share of the increased amount, if applicable. If the contract award amount is less than the Engineer's estimate, the city may withdraw its share of the excess deposit or leave it on deposit for future projects.

7. The city must agree to properly maintain all State Aid Streets constructed with State Aid Street funds in accordance with provisions of Arkansas Code Title 27, Chapter 72, Subchapter 4 et seq.



# **RESPONSIBILITIES OF THE ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT**

The State Aid Engineer will, under the direction of the Committee:

1. Conduct an on-site inspection of the city's request for funding to determine the type of project needed, scope of work, and probable cost.
2. Submit the proposed project and probable cost to the Committee for consideration and decision as to eligibility and priority of the project.
3. Provide technical assistant to the Committee concerning proposed projects.
4. Review the State Aid City Street System with each mayor or chief executive officer of the city. The existing functionally classified streets are included in the State Aid Street System. Any additions to the present State Aid Street System must be in accordance Arkansas Code Title 27, Chapter 72, Subchapter 4 et seq. and approved by the State Aid Engineer.
5. Advise the mayor or chief executive officer on matters of policy, use of funds, design standards, accounting methods, and other related matters.
6. Keep an accounting of projected funds, committed funds, funds available, and funds expended related to the State Aid Streets.
7. Notify the city in writing of State Aid eligibility and that its proportionate part of State Aid Street funds approved by the Committee may be used for construction of the State Aid System in the manner provided under Arkansas Code Title 27, Chapter 72, Subchapter 4 et seq.
8. Coordinate the efforts of the various divisions of AHTD to perform engineering services necessary to make surveys, to obtain the required environmental clearances, and to prepare plans and specifications for the construction of State Aid Streets. AHTD will keep adequate records of actual job charges made against each project. All costs associated with plan development and construction engineering will be payable from the State Aid Street Fund for those projects that are let to contract.
9. Submit plans, specifications and the Engineer's estimate of cost to the city for approval. If the Engineer's estimate of cost exceeds 10 percent of the preliminary estimate of cost, the estimate will be resubmitted to the Committee for approval.
10. Submit the plans and specifications for construction bid advertising.
11. Review the bids in consultation with the mayor or chief executive officer, and a joint agreement will be reached regarding rejection of the bid or awarding of the contract. Upon execution of the contract, AHTD's Construction Division will supervise the successful bidder in construction operations to insure compliance with the plans and specifications.
12. Submit plan changes to the mayor or chief executive officer and the Committee for concurrence before incurring such changes.
13. Schedule a joint final inspection of the completed work. The final inspection party will include the State Aid Engineer and District Engineer and the requesting city official, or their designated representative, the contractor, and other personnel as may be necessary for the purpose of determining whether such project has been completed satisfactorily in accordance with the plans and specifications. If the work has been complete satisfactorily, a final estimate will be prepared for final accounting of funds for the project.

# PROCEDURES FOR BIDDING—STATE AID JOBS

Should a city wish to bid on their advertised State Aid City Street project, the following procedures should be followed:

1. Contact the Programs and Contracts Division of the Arkansas State Highway and Transportation Department and request a proposal for bidding purposes. Email [pcd@arkansashighways.com](mailto:pcd@arkansashighways.com), phone 501-569-2261, or fax 501-569-2623. Also, if a city does not have the current edition of the *Standard Specifications for Highway Construction*, call the above number to order a copy, or download it from the publications page on AHTD's website, [arkansashighways.com](http://arkansashighways.com).
2. Section 102 of the *Standard Specifications* applies to bidding. The bid must be submitted by the time and date required in the proposal. The city's bid amount cannot be greater than \$165,000. With the submission of the bid, a proposal guaranty in the amount of five percent of the total amount of the bid will be included. The proposal guaranty will be returned after execution of the contract.
3. If the City is the low bidder, the conditions of Section 103 of the Standard Specification must be met including, but not limited to, the following:
  - The successful bidder will furnish a surety performance bond or bonds in a sum equal to the full amount of the contract and a surety payment bond or bonds in a sum equal to 80 percent of the full amount of the contract.
  - The city will procure and maintain at its own sole cost and expense, until acceptance of the project by the Engineer, general public liability insurance providing bodily injury, including death, personal injury, and property damage coverage with a limit of at least \$1 million per occurrence and a general aggregate limit of at least \$2 million. Each such policy will be endorsed to include broad form general liability, contractual liability, and completed operations coverage.
4. Unless otherwise advised in writing, the work order for a working day contract will become effective on the 15th calendar day following the execution of the contract by AHTD.
5. Unless otherwise advised in writing, the work order for a fixed completion date contract will become effective on the day following the execution of the contract by AHTD.
6. Under normal conditions, contract time will be assessed not later than 10 calendar days after the effective date of the work order.
7. The city, when acting as the contractor, will comply with all the provisions of the *Standard Specifications* and the provisions of the proposal in constructing the project. This includes being responsible for quality control and acceptance testing to assure the materials and workmanship meet the requirements of the *Standard Specifications*.

# APPENDICES

## STATE AID STREETS LAW (ARKANSAS CODE TITLE 27, CHAPTER 72, SUBCHAPTER 4)

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\*\*\* Legislation is current through the 2012 Fiscal Session and updates \*\*\*  
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Title 27 Transportation  
Subtitle 5. Highways, Roads, And Streets  
Chapter 72 Highway Revenues for Local Aid  
Subchapter 4 -- State Aid Streets

### ACA § 27-72-401 (2012)

#### 27-72-401. Definitions.

As used in this subchapter:

- (1) "Betterment" means any construction or reconstruction on a state aid-designated street that results in an improvement that exceeds or equals any previous improvement whether or not the previous improvement was financed in part or in whole through the provisions of this subchapter;
- (2) (A) "Construction" means any proposal submitted by a municipality that meets the definition of betterment as opposed to maintenance.  
(B) "Construction" includes reconstruction or improvement;
- (3) "Maintenance" means any act of work that maintains the improvement in serviceable condition;
- (4) "Municipality" means a city of the first class, a city of the second class, or an incorporated town;
- (5) (A) "State aid" means funds to be expended on state aid streets and includes any sum or sums provided by the General Assembly to supplement funds furnished by the several municipalities for the purpose of constructing, improving, widening, straightening, surfacing, or reconstructing streets or bridges on the state aid system.  
(B) "State aid" shall be available to the several municipalities in a proportion to be fixed and determined by law; and

(6) (A) "State aid streets" means the classification of municipal streets composing the major and minor arterial and collector routes feeding into local trade areas or into the state highway system that are not designated as state highways.

(B) "State aid streets" include those routes that:

- (i) Are particularly essential to the conservation and development of economic and social value;
- (ii) Encourage desirable land utilization; and
- (iii) Have in addition one (1) or more of the following characteristics:
  - (a) Extend to communities within and beyond the municipality;
  - (b) Connect with roads of major importance to municipalities or to counties;
  - (c) Connect with state highways to form a complete network of main feeder roads;
  - (d) Carry heavy volumes of traffic serving major business interests of the municipality; or
  - (e) Collect traffic at reasonable intervals from several local streets.

(C) "State aid streets" include bridges and ferries.

**HISTORY: Acts 1973, No. 445, Title II, § 1, as added by Acts 1975, No. 982, § 1; A.S.A. 1947, § 76-463; Acts 2011, No. 1032, § 2.**

## **ACA § 27-72-402 (2012)**

### **27-72-402. Establishment -- Scope.**

(a) A system of state aid streets in each municipality is established to:

(1) Consist of the major and minor arterial and collector routes not on the state highway system feeding into local trade areas or into the state highway system; and

(2) Provide a program for the construction and improvement of state aid streets.

(b) (1) A state aid system of streets is established for designation by cooperative action of the state and municipalities, as classified and defined in this subchapter.

(2) This system shall be designated by the several mayors or chief executive officers of the respective municipalities with the consent and approval of the state aid engineer.

(c) This subchapter shall not be construed to deprive or diminish the powers and duties of the mayor or chief executive officer of any municipality in the exercise of his or her constitutional control over municipal streets.

**HISTORY:** Acts 1973, No. 445, Title II, § 1, as added by Acts 1975, No. 982, § 1; A.S.A. 1947, § 76-463; Acts 2011, No. 1032, § 2.

## **ACA § 27-72-403 (2012)**

### **27-72-403. State Aid Division.**

There is created in the Arkansas State Highway and Transportation Department a division to be known as the State Aid Division, subject to the availability and appropriation of funding.

**HISTORY:** Acts 1973, No. 445, Title II, § 7, as added by Acts 1975, No. 982, § 1; A.S.A. 1947, § 76-469; Acts 2011, No. 1032, § 2.

## **ACA § 27-72-404 (2012)**

### **27-72-404. [Repealed.]**

## **ACA § 27-72-405 (2012)**

### **27-72-405. State aid engineer.**

(a) The State Aid Division of the Arkansas State Highway and Transportation Department shall be headed by a state aid engineer to be appointed by and serve at the pleasure of the State Highway Commission.

(b) The state aid engineer shall be a registered engineer with at least three (3) years' experience as a highway engineer and a thorough knowledge of municipal street problems.

(c) The state aid engineer under the direction of the commission shall:

(1) Advise the mayors and chief executive officers of the several municipalities on all matters of policy, use of funds, minimum standards for state aid streets, safeguards in accounting methods, and other related matters and cooperate with the mayors and chief executive officers on all matters connected with the layout and construction of state aid streets;

(2) Promulgate uniform and reasonable rules as he or she may deem necessary to:

(A) Effectuate a proper designation of state aid streets to be constructed in each municipality; and

(B) Develop the methods for determining priority of construction, the making of surveys, and the preparation of plans and specifications for the construction of state aid streets;

(3) Provide a uniform system of accounting in the expenditure of moneys from the State Aid Street Fund;

(4) (A) Prepare and promulgate practical uniform design standards and specifications for the construction of state aid streets.

(B) The minimum design standards and specifications may be modified or amended from time to time as the state aid engineer deems necessary; provided, however, that in any municipality with design standards as part of its adopted master street plan, any project proposed as part of the state aid streets program according to those adopted municipal design standards shall be deemed to have met the design standards for state aid streets;

(5) Advise and cooperate with the mayors and chief executive officers:

(A) In the selection and designation of the municipal streets that are to be made a part of the state aid street system, as provided for in this subchapter; and

(B) To approve or disapprove the selection of streets to be made a part of the state aid street system by the respective mayors and chief executive officers;

(6) Prepare and submit to the commission all proposed contracts to be let for the construction or reconstruction of state aid streets, but before submitting the contracts to the commission, he or she shall submit them to the mayor or chief executive officer of the municipality in which the work is to be performed so that the mayor or chief executive officer may determine that they include in all respects the work the municipality desires to be done in the municipality to be paid from state aid funds; and

(7) (A) To personally, or through his or her designated assistants, supervise and inspect all state aid street projects as the work progresses.

(B) (i) Upon final completion of any project, the state aid engineer shall cause a final inspection to be made of the project for the purpose of determining whether the project has been completed satisfactorily in accordance with the plans and specifications.

(ii) If satisfactorily completed, the state aid engineer shall approve payment of the final estimate on the project.

(C) Progress or final estimate either on a contract or a force account project shall not be paid unless approved in such manner by the state aid engineer.

(D) (1) The state aid engineer shall be subject to the direction of the commission.

(2) However, both the state aid engineer and the commission shall be bound by the provisions of this section.

**HISTORY: Acts 1973, No. 445, Title II, § 3, as added by Acts 1975, No. 982, § 1; 1977, No. 809, § 4; A.S.A. 1947, § 76-465; Acts 2011, No. 1032, § 2.**

## **ACA § 27-72-406 (2012)**

### **27-72-406. Eligibility for state aid -- Notice.**

(a) Before a municipality is eligible to receive benefits under this subchapter, the municipality through its mayor or chief executive officer shall agree to comply with the terms, provisions, and limitations of this subchapter.

(b) (1) When a municipality meets the requirements of this subchapter and is eligible for state aid, the state aid engineer, as soon as practicable, shall notify the eligible municipality in writing.

(2) The notice shall state that any state funds allocated to the municipality for state aid may be used for construction on the state aid system in the manner provided in this subchapter.

**HISTORY: Acts 1973, No. 445, Title II, § 4, as added by Acts 1975, No. 982, § 1; 1977, No. 809, § 2; 1977 (1st Ex. Sess.), No. 24, § 3; 1979, No. 199, § 3; A.S.A. 1947, § 76-466; Acts 2011, No. 1032, § 2.**

## **ACA § 27-72-407 (2012)**

### **27-72-407. State Aid Street Fund.**

(a) There is created in the State Treasury, subject to the availability and appropriation of funding, a fund to be known as the State Aid Street Fund, there to be used for construction, reconstruction, and improvements of the state aid street system.

(b) (1) All revenues deposited in the fund shall be apportioned to the municipalities as prescribed in § 27-72-413 for the distribution on the state aid street system among the various municipalities.

(2) The apportioned funds shall remain for a period of two (2) years from the date they are apportioned.

(3) Any unused funds shall be returned to the fund for redistribution in accordance with § 27-72-413.

(4) (A) For a municipality to receive these funds, the municipality must be matched in the ratio of ninety percent (90%) of moneys from the fund to not less than ten percent (10%) municipal matching funds for all municipalities with a population in excess of twenty-five thousand (25,000) residents.

(B) For all other municipalities, the state aid street project shall be funded at one hundred percent (100%), and all municipalities receiving moneys from the fund shall comply with the provisions of this subchapter.

**HISTORY: Acts 1973, No. 445, Title II, § 5, as added by Acts 1975, No. 982, § 1; 1977, No. 241, § 2; 1977 (1st Ex. Sess.), No. 23, § 3; A.S.A. 1947, § 76-467; Acts 2011, No. 1032, § 2.**

## **ACA § 27-72-408 (2012)**

**27-72-408 -- 27-72-410. [Repealed.]**

## **ACA § 27-72-411 (2012)**

### **27-72-411. Street maintenance by municipality -- Failure to maintain.**

(a) It is the duty of each municipality to properly maintain all state aid streets in that municipality after construction of any such streets with state aid moneys.

(b) (1) If, in the opinion of the state aid engineer, essential maintenance is not properly and regularly carried on, notice of the deficiency shall be given in writing to the mayor or chief executive officer.

(2) If maintenance is not initiated within sixty (60) days from date of notice, the state aid engineer may proceed to have the necessary maintenance and repair work on the street performed and charge the work to any funds in the State Aid Street Fund in the State Treasury allocated to that municipality.

(3) (A) If failure to maintain continues, the municipality is no longer eligible for state aid until proper maintenance is resumed by that municipality.

(B) Notice of withdrawal of state aid shall be duly given the Auditor of State and Treasurer of State.

(C) However, such ineligibility shall not affect payment from the fund of progress and final estimates on contracts awarded prior to notice of ineligibility.

(c) When a municipality is ineligible for state aid under the provisions of this subchapter for a continuous period of five (5) years, the municipality shall forfeit and no longer be entitled to any part of the funds in the fund later allocated to it.

**HISTORY: Acts 1973, No. 445, Title II, § 9, as added by Acts 1975, No. 982, § 1; A.S.A. 1947, § 76-471; Acts 2011, No. 1032, § 2.**

## **ACA § 27-72-412 (2012)**

### **27-72-412. Expenses paid prior to allocation.**

The pro rata salaries of the state aid engineer, his or her assistants, and all other employees of the State Aid Division of the Arkansas State Highway and Transportation Department, as well as all other expenses incurred by the Arkansas State Highway and Transportation Department, shall be paid from the State Aid Street Fund in the State Treasury prior to allocation to the several municipalities.

**HISTORY:** Acts 2011, No. 1032, § 2.

## **ACA § 27-72-413 (2012)**

### **27-72-413. Allocation of state aid -- State Aid Street Committee established.**

(a) State aid streets in the several municipalities shall receive state aid in the manner and under the terms and conditions set out in this section.

(b) The state aid street system shall be allocated to the several municipalities of the state by the State Aid Street Committee.

(c) (1) The committee shall be established to select the state aid street projects for submittal to the state aid engineer for funding and construction pursuant to the provisions of this subchapter.

(2) (A) The committee shall consist of nine (9) mayors to be appointed as follows:

- (i) Three (3) mayors appointed by the Governor;
- (ii) Three (3) mayors appointed by the Speaker of the House of Representatives; and
- (iii) Three (3) mayors appointed by the President Pro Tempore of the Senate.

(B) The Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate shall each appoint at least one (1) mayor from a municipality with a population in excess of twenty-five thousand (25,000).

(3) (A) Each appointed mayor shall serve a term of four (4) years.

(B) A mayor shall be eligible to serve two (2) terms of four (4) years on the committee.

(C) However, every four (4) years a new committee shall be formed as set out in this section.

(D) Should a mayor selected for the committee leave office before the end of his or her term, the party who made the original nomination shall appoint a successor mayor to serve the remainder of the term.

(4) The committee shall select a chair by majority vote to serve a term of one (1) year.

(5) A quorum is necessary to transact the business of the committee.

(6) Subject to the availability and appropriation of funding, the committee shall begin to meet and meet at least quarterly each year.

(d) The committee may establish a formula or criteria to facilitate the identification and selection of state aid street projects, subject to the approval of the state aid engineer and consistent with the provisions of this subchapter.

(e) All state aid street projects proposed by a municipality shall meet the requirements of § 27-72-406, § 27-72-415, and § 27-72-417 of this subchapter before the committee may consider the projects for submission to the state aid engineer.

**HISTORY:** Acts 2011, No. 1032, § 2.

## ACA § 27-72-414 (2012)

### 27-72-414. Contracts for work to be performed.

(a) All proposals covering work to be performed on state aid streets in a municipality in this state shall be:

(1) Under contract let and approved by the State Highway Commission upon a request from the mayor or chief executive officer of the municipality; and

(2) In accordance with the procedures prescribed in § 27-67-206 and other laws of this state pertaining to contracts for the construction of state highways, which shall be equally applicable to all contracts let by the commission for the construction of state aid streets under this subchapter.

(b) (1) The mayor or chief executive officer of a municipality is authorized to submit bids for work to be performed on state aid streets in his or her municipality under the provisions of this subchapter.

(2) This section shall not be construed to limit or restrict the right of a mayor or chief executive officer to submit bids for work to be performed by municipal forces in his or her municipality so long as the bids are:

(A) In accordance with procedures of § 27-67-206; and

(B) The aggregate cost does not exceed one hundred sixty-five thousand dollars (\$165,000).

**HISTORY: Acts 2011, No. 1032, § 2.**

## ACA § 27-72-415 (2012)

### 27-72-415. Conditions for use of state aid.

A municipality is entitled to receive state aid and to expend state aid moneys in conjunction with moneys furnished by the municipality on state aid streets in the municipality on projects approved for construction in the municipality provided:

(1) The state aid system in the municipality has been designated and approved as provided in this subchapter;

(2) (A) The municipality has employed or retained an engineer who is a registered professional engineer to act for and on behalf of the municipality as a whole.

(B) However:

(i) If any mayor or chief executive officer is a registered professional engineer, the mayor or chief executive officer may perform the duties provided under this section for the municipal engineer; and

(ii) A municipality may contract with the Arkansas State Highway and Transportation Department for engineering services in lieu of employing or retaining a municipal engineer.

(C) The cost of employing or retaining a municipal engineer or contracting with the department for engineering services shall be paid from the municipal street funds of the municipality and shall not be payable from the State Aid Street Fund.

(D) Engineering costs on federal-aid projects may be included as a cost item of the projects; and

(3) The municipality has complied with all rules promulgated by the state aid engineer.

**HISTORY: Acts 2011, No. 1032, § 2.**



## ACA § 27-72-416 (2012)

### 27-72-416. Use of state aid.

(a) Funds deposited in the State Aid Street Fund shall be used exclusively for the construction, reconstruction, and improvements of streets or bridges on the state aid street system, except as otherwise provided in this subchapter.

(b) The funds shall not be spent under this subchapter on any project that shall not culminate directly in a paved hard-surfaced street and the associated nonmotorized facilities that may be required by municipal design standards.

(c) The funds shall not be used for maintenance of state aid streets.

(d) (1) All expenditures from the fund under this subchapter shall be made after publication of:

(A) Notice to bidders of the date for final reception of bids; and

(B) The address at which specifications can be acquired.

(2) After a public opening of the bids, all contracts shall be awarded to the lowest responsible bidder.

**HISTORY: Acts 2011, No. 1032, § 2.**

## ACA § 27-72-417 (2012)

### 27-72-417. Rights-of-way -- Exception.

(a) (1) All rights-of-way required on state aid street projects shall be acquired by the municipality.

(2) Any cost of rights-of-way or utility relocation shall not be considered a part of the cost of a project contemplated by this subchapter.

(b) The cost of reconstructing fencing and the construction of property access passages shall not be considered as rights-of-way costs but shall be considered as a component of project cost.

**HISTORY: Acts 2011, No. 1032, § 2.**

## ACA § 27-72-418 (2012)

### 27-72-418. Municipal highway revenue estimates.

(a) (1) For each fiscal year, the Chief Fiscal Officer of the State shall prepare and file quarterly statements setting forth an estimate of the total amount of highway revenues and other state revenues made available by this subchapter and all other laws providing state resources for and to municipal governments for street construction, improvements, and betterments made within the spirit of this subchapter for the express use of the several municipalities of the state.

(2) The Chief Fiscal Officer of the State shall prepare and file the statement on or before July 10, October 10, January 10, and April 10 of each fiscal year.

(b) (1) Each statement shall be designated and known as the "Official Estimate of Municipal Highway Revenues Distribution" for the then-current fiscal year.

(2) Copies shall be filed with the Chief Fiscal Officer of the State, the Auditor of State, the Treasurer of State, and the Arkansas Municipal League.

(c) (1) In preparing each official estimate of municipal highway revenues distribution, the Chief Fiscal Officer of the State shall begin with a basic amount arrived at in the manner prescribed under this subsection.

(2) The Chief Fiscal Officer of the State shall add or subtract his or her estimate of the net increase or net decrease in municipal street funds as may be affected by various factors, as determined by the Chief Fiscal Officer of the State, including without limitation:

(A) Changes in the laws pertaining to tax rates and exemptions;

(B) Administration of tax laws;

(C) Indexing; and

(D) Distribution of revenues.

(3) The basic amount of municipal street funds shall be ascertained as follows:

(A) The July estimate shall be the amount of the next-preceding fiscal year's municipal street funds, increased or decreased by that certain percentage determined by the average of percentage changes in the amount of the total municipal street funds by legislated source category of each of the three (3) preceding fiscal years in relation to its preceding fiscal year; and

(B) The October, January, and April estimates shall be the total amount of municipal street funds by legislated source category collected in the preceding months of the then-current fiscal year plus the total amount of municipal street funds by legislated source category collected in all of the other months of the preceding fiscal year, increased or decreased by that certain percentage determined by the average of percentage changes in the collections during all other months of each of the three (3) preceding fiscal years in relation to the same other months of its preceding fiscal years.

**HISTORY: Acts 2011, No. 1032, § 2.**

### **ACA § 27-72-419 (2012)**

#### **27-72-419. Title.**

This subchapter shall be known and may be cited as the “State Aid Streets Law.”

**HISTORY: Acts 2011, No. 1032, § 2.**





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