

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.

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/5/07
A Bill

HOUSE BILL 1850

5 By: Representatives Petrus, Abernathy, Adcock, Allen, Anderson, T. Baker, Berry, Blount, Bond, T.
6 Bradford, Breedlove, E. Brown, J. Brown, Burkes, Burris, Cash, Cheatham, Chesterfield, Cook, Cooper,
7 Cornwell, L. Cowling, D. Creekmore, Davenport, Davis, Dickinson, S. Dobbins, Dunn, Edwards, L.
8 Evans, D. Evans, Everett, Flowers, Garner, Gaskill, George, Glidewell, R. Green, Greenberg, Hall,
9 Hardwick, Hardy, Harrelson, Harris, Hawkins, House, Hoyt, D. Hutchinson, Hyde, Jeffrey, J. Johnson,
10 D. Johnson, Kenney, Key, Kidd, King, Lamoureux, W. Lewellen, Lovell, Lowery, Maloch, M. Martin,
11 Maxwell, Medley, Moore, Norton, Overbey, Pace, Pate, Patterson, Pennartz, Pickett, Pierce, Powers, S.
12 Prater, Pyle, Ragland, Rainey, Reep, Reynolds, J. Roebuck, Rogers, Rosenbaum, Sample, Saunders,
13 Schulte, Shelby, L. Smith, Stewart, Sullivan, Sumpter, Thyer, Wagner, Walters, Webb, Wells, Wills, Wood,
14 Woods, Wyatt
15 By: Senator Critcher
16
17

18 **For An Act To Be Entitled**

19 AN ACT TO APPLY A PORTION OF STATE SURPLUS FUNDS
20 TO FINANCE HIGHWAY CONSTRUCTION, RECONSTRUCTION
21 AND MAINTENANCE, AND TO PROVIDE FUNDS FOR COUNTY
22 AID AND MUNICIPAL AID; TO AUTHORIZE THE TRANSFER
23 OF FUNDS; AND FOR OTHER PURPOSES.
24

25 **Subtitle**

26 AN ACT TO FINANCE HIGHWAY CONSTRUCTION
27 AND TO PROVIDE ADDITIONAL COUNTY AID AND
28 MUNICIPAL AID.
29

30
31 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
32

33 SECTION 1. (a) This Act may be referred to and cited as the Highway
34 Improvement Revenue Act of 2007.

35 (b) It is found by the General Assembly that in order to provide for
36 adequate state highway construction, reconstruction, and maintenance, and for



1 providing additional county aid and municipal aid, revenue must be available
2 from the State surplus and dedicated as special revenue for the purpose of
3 constructing, reconstructing and maintaining the state highway system and for
4 providing additional funds for county aid and municipal aid.

5
6 SECTION 2. In order to provide a source of revenue to finance highway
7 construction, reconstruction, maintenance, and to provide additional monies
8 for county aid and municipal aid, immediately upon the effective date of this
9 act, the Chief Fiscal Officer of the State shall transfer on his books and
10 those of the State Treasure and Auditor of State, the sum of one hundred
11 million dollars (\$100,000,000) from the General Revenue Allotment Reserve
12 Fund, which immediately such sum shall be declared as special revenue, and
13 disbursed as follows:

14 (1) Fifteen percent (15%) of the amount thereof to the County Aid
15 Fund;

16 (2) Fifteen percent (15%) of the amount thereof to the Municipal Aid
17 Fund; and

18 (3) Seventy percent (70%) of the amount thereof to the State Highway
19 and Transportation Department Fund.

20 (b) Funds disbursed to the County Aid Fund and Municipal Aid Fund
21 pursuant to this act may be expended on any legitimate county or municipal
22 purpose and are not limited to expenditures for highway related purposes.

23
24 SECTION 3. Arkansas Code 27-70-207 is amended to read as follows:

25 27-70-207. Distribution to county funds.

26 (a)(1)(A) With the exception of those revenues transferred pursuant to
27 Section 2 of the Highway Improvement Revenue Act of 2007, All all highway
28 revenues transferred to the County Aid Fund under this subchapter shall be
29 paid over by the Treasurer of State to the treasurers of the respective
30 counties of this state for credit to the county highway fund, there to be
31 used for the maintenance, construction, and reconstruction of roads and
32 bridges in the county highway system, provided, however, that no more than
33 twenty percent (20%) of the revenues received by a county during any fiscal
34 year may also be used for public transportation.

35 (B) A county may also use these funds to construct and maintain
36 parking for county courthouses, county administration buildings, county

1 health units, and county parks and to construct and maintain sidewalks that
2 serve county courthouses, county administration buildings, county health
3 units, county parks, public schools, and other publicly owned property.

4 (C) A county may use these funds to pay for local projects
5 eligible for funding under state programs of the Arkansas State Highway and
6 Transportation Department and under federal programs of the Federal Highway
7 Administration of the United States Department of Transportation.

8 (D) Furthermore, the funds may be used to install and maintain
9 traffic signals where needed to preserve public health, safety, and welfare.

10 (E) A county may provide these funds to a regional mobility
11 authority to match federal transportation funds for the financing of surface
12 transportation system improvements on state highways, county roads, and city
13 streets.

14 (2)(A) Funds disbursed to the County Aid Fund pursuant to Section
15 2 of the Highway Improvement Revenue Act of 2007 may be expended by the
16 counties on any legitimate county purpose and are not limited to the uses set
17 forth in subdivision (a)(1) of this section.

18 (B) Funds disbursed to the County Aid Fund pursuant to Section 2
19 of the Highway Improvement Revenue Act of 2007 shall be distributed to the
20 various counties as are other funds contained in the County Aid Fund,
21 pursuant to subdivision (a)(3) of this section.

22 ~~(2)~~ (3) The Treasurer of State shall on or before the tenth day
23 next following the last day of each calendar month make distribution of the
24 revenues on the following basis:

25 (A) Thirty-one percent (31%) of the amount according to area,
26 with each county to receive the proportion that its area bears to the area of
27 the state;

28 (B) Seventeen and one-half percent (17.5%) of the amount
29 according to the amount of state motor vehicle license fees collected in the
30 calendar year next preceding any distribution as certified to the Treasurer
31 of State by the Director of the Department of Finance and Administration,
32 with each county to receive the proportion that the total of fees collected
33 from the county bears to the total of fees collected in the state;

34 (C) Seventeen and one-half percent (17.5%) of the amount
35 according to population based upon the most recent federal decennial census,
36 with each county to receive the proportion that its population bears to the

1 population of the state;

2 (D) Thirteen and one-half percent (13.5%) of the amount
3 according to rural population based upon the most recent federal decennial
4 census, with each county to receive the proportion that its rural population
5 bears to the rural population of the state; and

6 (E) Twenty and one-half percent (20.5%) of the amount shall be
7 divided equally among the seventy-five (75) counties.

8 (b)(1)(A) With the exception of those revenues transferred
9 pursuant to Section 2 of the Highway Improvement Revenue Act of 2007, All all
10 highway revenues transferred to the Municipal Aid Fund under the provisions
11 of this subchapter shall be paid over by the Treasurer of State to the
12 treasurers of the respective cities of the first class, cities of the second
13 class, and incorporated towns for credit to the street fund, there to be used
14 for the maintenance, construction, and reconstruction of streets which are
15 not continuations of state highways.

16 (B)(i) Provided, however, that cities with a population in
17 excess of fifty thousand (50,000) inhabitants may use no more than ten
18 percent (10%) of the revenues for public transportation.

19 (ii) All other cities may use no more than twenty percent (20%)
20 of the revenues for public transportation.

21 (C) A city may provide these funds to a regional mobility
22 authority to match federal transportation funds for the financing of surface
23 transportation system improvements on state highways, county roads, and city
24 streets.

25 (2) The Treasurer of State shall on or before the tenth day next
26 following the last day of each calendar month make distribution of the funds
27 on the basis of population according to the most recent federal census, with
28 the amount to be paid over to each city or incorporated town in the
29 proportion that its population bears to the total population of all cities
30 and towns.

31 (3)(A) Funds disbursed to the Municipal Aid Fund pursuant to
32 Section 2 of the Highway Improvement Revenue Act of 2007 may be expended by
33 the cities on any legitimate municipal purpose and are not limited to the
34 uses set forth in subdivision (b)(1) of this section.

35 (B) Funds disbursed to the Municipal Aid Fund pursuant to
36 Section 2 of the Highway Improvement Revenue Act of 2007 shall be distributed

1 to the various cities as are other funds contained in the Municipal Aid Fund,
2 pursuant to subdivision (b)(2) of this section.

3 (c)(1) All highway revenues transferred to the State Highway and
4 Transportation Department Fund under the provisions of this subchapter shall
5 be used for the construction, reconstruction, and maintenance of highways and
6 bridges in the state highway system.

7 (2)(A) However, the department may use highway revenues
8 transferred to the State Highway and Transportation Department Fund for the
9 installation, upgrading, or improvement of any highway-railroad crossing
10 safety device, railroad crossing traffic control device, warning lights,
11 crossing gates, or other railroad crossing safety devices at public highway
12 railroad crossings and for the construction, reconstruction, and maintenance
13 of any highway-railroad crossing, including the construction or installation
14 of any underpasses or overpasses.

15 (B) Except for the construction or installation of underpasses
16 or overpasses, the department's goal is to expend one dollar (\$1.00) of state
17 funds for each dollar of federal funds received to improve railroad crossing
18 safety and to reduce railroad crossing accidents.

19 (C) It is the intent of this subdivision (c)(2) to encourage the
20 State Highway Commission to continue to upgrade the state's highway-railway
21 crossings with traffic control devices, warning lights, crossing gates, and
22 other appropriate devices in order to increase the safety of persons using
23 the state's highways.

24
25 SECTION 4. Emergency clause. It is hereby found and determined by the
26 Eighty-sixth General Assembly that there is an immediate need for the
27 construction, reconstruction, and maintenance of highways and roads
28 comprising the State highway system and to provide additional funds for
29 county and municipal aid and that such programs cannot be accomplished
30 without additional funding. Therefore, an emergency is declared to exist and
31 this act being immediately necessary for the preservation of the public
32 peace, health and safety shall become effective on the date of its approval
33 by the Governor. If the bill is neither approved nor vetoed by the Governor,
34 it shall become effective on the expiration of the period of time during
35 which the Governor may veto the bill. If the bill is vetoed by the Governor
36 and the veto is overridden, it shall become effective on the date the last

1 house overrides the veto.

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/s/ Petrus, et al

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