

1 State of Arkansas  
2 94th General Assembly  
3 Fiscal Session, 2024  
4

# A Bill

HOUSE BILL 1023

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, 2025; 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, 2025;  
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 REVENUE 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  
28 of Treasurer of State for the fiscal year ending June 30, 2025, the  
29 following:  
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31 ITEM	FISCAL YEAR
32 <u>NO.</u>	<u>2024-2025</u>
33 (01) GENERAL REVENUES - CITIES	<u>\$29,372,099</u>

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35 SECTION 2. APPROPRIATION - SPECIAL REVENUES TO CITIES. There is hereby  
36 appropriated, to the Office of the Treasurer of State, to be payable from the



1 Municipal Aid Fund, for distributing Special Revenues accruing therein for  
2 the benefit of municipalities as provided by law, by the Office of the  
3 Treasurer of State for the fiscal year ending June 30, 2025, the following:

4	5 ITEM	FISCAL YEAR
6	<u>NO.</u>	<u>2024-2025</u>
7	(01) SPECIAL REVENUES - CITIES	<u>\$190,000,000</u>

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9 SECTION 3. APPROPRIATION - GENERAL REVENUES TO COUNTIES. There is  
10 hereby appropriated, to the Office of the Treasurer of State, to be payable  
11 from the County Aid Fund, for the purpose of distributing General Revenue  
12 accruing therein for the benefit of counties as provided by law, by the  
13 Office of Treasurer of State for the fiscal year ending June 30, 2025, the  
14 following:

15	16 ITEM	FISCAL YEAR
17	<u>NO.</u>	<u>2024-2025</u>
18	(01) GENERAL REVENUE - COUNTIES	<u>\$21,428,616</u>

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20 SECTION 4. APPROPRIATION - SPECIAL REVENUES TO COUNTIES. There is  
21 hereby appropriated, to the Office of the Treasurer of State, to be payable  
22 from the County Aid Fund, for the purpose of distributing any monies provided  
23 by Highway Turnback, Severance Taxes to counties, and any other monies  
24 provided by the Acts of the General Assembly for the benefit of counties, by  
25 the Office of Treasurer of State for the fiscal year ending June 30, 2025,  
26 the following:

27	28 ITEM	FISCAL YEAR
29	<u>NO.</u>	<u>2024-2025</u>
30	(01) SPECIAL REVENUE - COUNTIES	<u>\$205,000,000</u>

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32 SECTION 5. APPROPRIATION - UNANTICIPATED SPECIAL REVENUES. There is  
33 hereby appropriated, to the Office of the Treasurer of State, to be payable  
34 from the County Aid Fund, for unanticipated monies received from the sale or  
35 lease of minerals, oil and gas on federal military lands or from other  
36 unanticipated special revenues, for the transfer to those counties to which

1 such monies are allocated by law, by the Office of Treasurer of State for the  
 2 fiscal year ending June 30, 2025, the following:

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4 ITEM	FISCAL YEAR
5 <u>NO.</u>	<u>2024-2025</u>
6 (01) UNANTICIPATED SPECIAL REVENUES	<u>\$10,000,000</u>

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8 SECTION 6. APPROPRIATION - REAL PROPERTY TAX REDUCTION - COUNTIES.

9 There is hereby appropriated, to the Office of the Treasurer of State, to be  
 10 payable from the Property Tax Relief Trust Fund, for distributing funds  
 11 provided by a statewide property tax reduction to counties, by the Office of  
 12 Treasurer of State for the fiscal year ending June 30, 2025, the following:

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14 ITEM	FISCAL YEAR
15 <u>NO.</u>	<u>2024-2025</u>
16 (01) DISTRIBUTION TO COUNTIES FOR PROPERTY 17 TAX RELIEF	<u>\$300,000,000</u>

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19 SECTION 7. APPROPRIATION - PROPERTY TAX RELIEF FUND REVENUES  
 20 DISTRIBUTION TO COUNTIES. There is hereby appropriated, to the Office of the  
 21 Treasurer of State, to be payable from the Property Tax Relief Trust Fund,  
 22 for accruing therein for the benefit of counties to be distributed using the  
 23 formula for the County Aid Fund under §19-5-602(c), by the Office of  
 24 Treasurer of State for the fiscal year ending June 30, 2025, the following:

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26 ITEM	FISCAL YEAR
27 <u>NO.</u>	<u>2024-2025</u>
28 (01) DISTRIBUTION TO COUNTIES	<u>\$2,000,000</u>

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30 SECTION 8. APPROPRIATION - PROPERTY TAX RELIEF FUND REVENUES  
 31 DISTRIBUTION TO CITIES. There is hereby appropriated, to the Office of the  
 32 Treasurer of State, to be payable from the Property Tax Relief Trust Fund,  
 33 for accruing therein for the benefit of municipalities to be distributed  
 34 using the formula for the Municipal Aid Fund under §19-5-601(c), by the  
 35 Office of Treasurer of State for the fiscal year ending June 30, 2025, the  
 36 following:

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ITEM	FISCAL YEAR
NO.	2024-2025
(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, ~~2023~~ 2024, 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, ~~2024~~ 2025 from the balance remaining on December 31, ~~2023~~ 2024 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, ~~2023~~ 2024 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, ~~2023~~ 2024 through June 30, ~~2024~~ 2025.

SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

LOANS TO CITIES AND COUNTIES. On July 1 of each fiscal year, the Chief Fiscal Officer of the State shall request a transfer by the State Treasurer from the Budget Stabilization Trust Fund to the County Aid Fund and to the Municipal Aid Fund to assist the various cities and counties in meeting cash flow needs early in the state fiscal year. The transfer shall be a loan to be repaid in equal installments from general revenue distributions each month during the fiscal year for which the loan was made and shall be in addition

1 to any other loans authorized by law for the County Aid and Municipal Aid  
2 Funds. The amount of such loan for each fiscal year shall be \$3,517,657 to  
3 the Municipal Aid Fund and \$1,906,079 to the County Aid Fund, or so much  
4 thereof as may be available in the Budget Stabilization Trust Fund as  
5 determined by the Chief Fiscal Officer of the State. Upon such transfer  
6 being completed, the State Treasurer shall immediately distribute such funds  
7 to each of the several municipalities and counties in the same manner as  
8 general revenues are distributed.

9 It is the intent of the General Assembly that the Chief Fiscal Officer of the  
10 State and the State Treasurer shall make every reasonable, and financially  
11 sound effort to insure that local governments receive the full amount of the  
12 loan authorized herein on July 1 of each year and that the monies authorized  
13 for local governments from general revenues be distributed in equal monthly  
14 payments.

15 The provisions of this section shall be in effect only from July 1, ~~2023~~  
16 2024 through June 30, ~~2024~~ 2025.

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18 SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
19 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

20 CARRY FORWARD. At the close of each fiscal year any unexpended funds for the  
21 County Aid and Municipal Aid line items shall be carried forward and  
22 distributed pursuant and in addition to the funding formula established under  
23 A.C.A 19-5-601 and 19-5-602 within forty-five (45) days.

24 Any carry forward of unexpended balance of funding as authorized herein,  
25 may be carried forward under the following conditions:

26 (1) Prior to June 30, ~~2024~~ 2025 the Agency shall by written statement  
27 set forth its reason(s) for the need to carry forward said funding to the  
28 Department of Finance and Administration Office of Budget;

29 (2) The Department of Finance and Administration Office of Budget shall  
30 report to the Arkansas Legislative Council all amounts carried forward by the  
31 September Arkansas Legislative Council or Joint Budget Committee meeting  
32 which report shall include the name of the Agency, Board, Commission or  
33 Institution and the amount of the funding carried forward, the program name  
34 or line item, the funding source of that appropriation and a copy of the  
35 written request set forth in (1) above;

36 (3) Each Agency, Board, Commission or Institution shall provide a

1 written report to the Arkansas Legislative Council or Joint Budget Committee  
2 containing all information set forth in item (2) above, along with a written  
3 statement as to the current status of the project, contract, purpose etc. for  
4 which the carry forward was originally requested no later than thirty (30)  
5 days prior to the time the Agency, Board, Commission or Institution presents  
6 its budget request to the Arkansas Legislative Council/Joint Budget  
7 Committee; and

8 (4) Thereupon, the Department of Finance and Administration shall  
9 include all information obtained in item (3) above in the budget manuals  
10 and/or a statement of non-compliance by the Agency, Board, Commission or  
11 Institution.

12 The provisions of this section shall be in effect only from July 1, ~~2023~~  
13 2024 through June 30, ~~2024~~ 2025.

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

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25 SECTION 13. LEGISLATIVE INTENT. It is the intent of the General  
26 Assembly that any funds disbursed under the authority of the appropriations  
27 contained in this act shall be in compliance with the stated reasons for  
28 which this act was adopted, as evidenced by the Agency Requests, Executive  
29 Recommendations and Legislative Recommendations contained in the budget  
30 manuals prepared by the Department of Finance and Administration, letters, or  
31 summarized oral testimony in the official minutes of the Arkansas Legislative  
32 Council or Joint Budget Committee which relate to its passage and adoption.

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34 SECTION 14. EMERGENCY CLAUSE. It is found and determined by the  
35 General Assembly, that the Constitution of the State of Arkansas prohibits  
36 the appropriation of funds for more than a one (1) year period; that the

effectiveness of this Act on July 1, 2024 is essential to the operation of the agency for which the appropriations in this Act are provided, and that in the event of an extension of the legislative session, the delay in the effective date of this Act beyond July 1, 2024 could work irreparable harm upon the proper administration and provision of essential governmental programs. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 2024.

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