

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

As Engrossed: H2/25/25

A Bill

HOUSE BILL 1522

5 By: Representative Womack
6 By: Senator A. Clark
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE DISTRIBUTION
10 OF CERTAIN FUNDS TO MUNICIPALITIES; TO AMEND THE LAW
11 TO ALLOW FOR THE DISTRIBUTION OF FUNDS IN THE
12 MUNICIPAL AID FUND, TURNBACK FUNDS, AND COUNTY SALES
13 AND USE TAX REVENUES TO NEWLY INCORPORATED
14 MUNICIPALITIES; TO DECLARE AN EMERGENCY; AND FOR
15 OTHER PURPOSES.
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Subtitle

19 TO AMEND THE LAW TO ALLOW FOR THE
20 DISTRIBUTION OF FUNDS IN THE MUNICIPAL
21 AID FUND, TURNBACK FUNDS, AND COUNTY
22 SALES AND USE TAX REVENUES TO NEWLY
23 INCORPORATED MUNICIPALITIES; AND TO
24 DECLARE AN EMERGENCY.
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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28 SECTION 1. Arkansas Code § 19-5-601(c)(6), concerning the Municipal
29 Aid Fund, is amended to read as follows:

30 (6) ~~If~~ When a municipality incorporates ~~during a year in which a~~
31 ~~federal decennial census is conducted, then~~ for purposes of this section and
32 until data from a federal decennial or special census is made available to
33 *the municipality, the population of the municipality shall be calculated by*
34 *the Arkansas Geographic Information Systems Office based on the most recent*
35 *~~federal decennial census as calculated by the Arkansas Geographic Information~~*
36 *~~Systems Office.~~*



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SECTION 2. Arkansas Code § 26-74-313(d)(8)(B), concerning the disposition of funds generated from a municipal sales tax levied for capital improvements, is amended to read as follows:

(B) ~~If~~ When a municipality incorporates ~~during a year in which a federal decennial census is conducted, then~~ for purposes of this section and until data from a federal decennial or special census is made available to the municipality, the population of the municipality shall be calculated by the Arkansas Geographic Information Systems Office based on the most recent federal decennial census as calculated by the Arkansas Geographic Information Systems Office.

SECTION 3. Arkansas Code § 27-70-207(c)(2)(B), concerning the distribution of highway revenues to county and city funds, is amended to read as follows:

(B) ~~If~~ When a municipality incorporates ~~during a year in which a federal decennial census is conducted, then~~ for purposes of this section and until data from a federal decennial or special census is made available to the municipality, the population of the municipality shall be calculated by the Arkansas Geographic Information Systems Office based on the most recent federal decennial census as calculated by the Arkansas Geographic Information Systems Office.

SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that federal population data from the federal decennial census or a special census is required for the Treasurer of State to distribute moneys received as municipal turnback funds or generated from existing county sales and use taxes; that a procedure is necessary to allow a newly incorporated municipality to use alternative population data until a special census or the federal decennial census is conducted for the purpose of distributing municipal turnback funds and county sales and use tax revenues; that without a proper procedure, a newly incorporated municipality may not have federal census data for over a year and will not be able to receive proper disbursement of turnback funds or county sales and use tax revenues; and that this act is immediately necessary to enable a newly incorporated municipality to provide the residents of the

1 municipality with services that are necessary for the health, safety, and
2 welfare of the community. Therefore, an emergency is declared to exist, and
3 this act being immediately necessary for the preservation of the public
4 peace, health, and safety shall become effective on:

- 5 (1) The date of its approval by the Governor;
6 (2) If the bill is neither approved nor vetoed by the Governor,
7 the expiration of the period of time during which the Governor may veto the
8 bill; or
9 (3) If the bill is vetoed by the Governor and the veto is
10 overridden, the date the last house overrides the veto.

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12 */s/Womack*

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15 **APPROVED: 4/14/25**
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