

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1061

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, 2024; 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, 2024;
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, 2024, the
29 following:
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| 31 ITEM | FISCAL YEAR |
|-----------------------------------|---------------------|
| 32 <u>NO.</u> | <u>2023-2024</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, 2024, the following:

| 4 | 5 ITEM | 6 FISCAL YEAR |
|----|-----------------------------------|-------------------------|
| 7 | 8 <u>NO.</u> | 9 <u>2023-2024</u> |
| 10 | 11 (01) SPECIAL REVENUES - CITIES | 12 <u>\$190,000,000</u> |

13 SECTION 3. APPROPRIATION - GENERAL REVENUES TO COUNTIES. There is
 14 hereby appropriated, to the Office of the Treasurer of State, to be payable
 15 from the County Aid Fund, for the purpose of distributing General Revenue
 16 accruing therein for the benefit of counties as provided by law, by the
 17 Office of Treasurer of State for the fiscal year ending June 30, 2024, the
 18 following:

| 19 | 20 ITEM | 21 FISCAL YEAR |
|----|------------------------------------|------------------------|
| 22 | 23 <u>NO.</u> | 24 <u>2023-2024</u> |
| 25 | 26 (01) GENERAL REVENUE - COUNTIES | 27 <u>\$21,428,616</u> |

28 SECTION 4. APPROPRIATION - SPECIAL REVENUES TO COUNTIES. There is
 29 hereby appropriated, to the Office of the Treasurer of State, to be payable
 30 from the County Aid Fund, for the purpose of distributing any monies provided
 31 by Highway Turnback, Severance Taxes to counties, and any other monies
 32 provided by the Acts of the General Assembly for the benefit of counties, by
 33 the Office of Treasurer of State for the fiscal year ending June 30, 2024,
 34 the following:

| 35 | 36 ITEM | 37 FISCAL YEAR |
|----|------------------------------------|-------------------------|
| 38 | 39 <u>NO.</u> | 40 <u>2023-2024</u> |
| 41 | 42 (01) SPECIAL REVENUE - COUNTIES | 43 <u>\$205,000,000</u> |

44 SECTION 5. APPROPRIATION - UNANTICIPATED SPECIAL REVENUES. There is
 45 hereby appropriated, to the Office of the Treasurer of State, to be payable
 46 from the County Aid Fund, for unanticipated monies received from the sale or
 47 lease of minerals, oil and gas on federal military lands or from other
 48 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, 2024, the following:

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| 4 ITEM | FISCAL YEAR |
|---------------------------------------|---------------------|
| 5 <u>NO.</u> | <u>2023-2024</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, 2024, the following:

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| 14 ITEM | FISCAL YEAR |
|--|----------------------|
| 15 <u>NO.</u> | <u>2023-2024</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, 2024, the following:

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| 26 ITEM | FISCAL YEAR |
|----------------------------------|--------------------|
| 27 <u>NO.</u> | <u>2023-2024</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, 2024, the
 36 following:

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| ITEM NO. | FISCAL YEAR 2023-2024 |
|-----------------------------|--------------------------|
| (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, ~~2022~~ 2023, 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, ~~2023~~ 2024 from the balance remaining on December 31, ~~2022~~ 2023 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, ~~2022~~ 2023 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, ~~2022~~ 2023 through June 30, ~~2023~~ 2024.

SECTION 10. SPECIAL LANGUAGE. CODE AMENDMENT. Arkansas Code § 19-5-602, concerning the County Aid Fund, is amended to codify special language in appropriation acts by adding an additional subsection to read as follows:

(e) Any appropriation provided by the General Assembly for aid to counties may be supplemented, if necessary, by a transfer from an appropriation provided for unanticipated special revenues.

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

1 LOANS TO CITIES AND COUNTIES. On July 1 of each fiscal year, the Chief
2 Fiscal Officer of the State shall request a transfer by the State Treasurer
3 from the Budget Stabilization Trust Fund to the County Aid Fund and to the
4 Municipal Aid Fund to assist the various cities and counties in meeting cash
5 flow needs early in the state fiscal year. The transfer shall be a loan to
6 be repaid in equal installments from general revenue distributions each month
7 during the fiscal year for which the loan was made and shall be in addition
8 to any other loans authorized by law for the County Aid and Municipal Aid
9 Funds. The amount of such loan for each fiscal year shall be \$3,517,657 to
10 the Municipal Aid Fund and \$1,906,079 to the County Aid Fund, or so much
11 thereof as may be available in the Budget Stabilization Trust Fund as
12 determined by the Chief Fiscal Officer of the State. Upon such transfer
13 being completed, the State Treasurer shall immediately distribute such funds
14 to each of the several municipalities and counties in the same manner as
15 general revenues are distributed.

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

22 The provisions of this section shall be in effect only from July 1, ~~2022~~
23 2023 through June 30, ~~2023~~ 2024.

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25 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
26 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

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

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

33 (1) Prior to June 30, ~~2023~~ 2024 the Agency shall by written statement
34 set forth its reason(s) for the need to carry forward said funding to the
35 Department of Finance and Administration Office of Budget;

36 (2) The Department of Finance and Administration Office of Budget shall

1 report to the Arkansas Legislative Council all amounts carried forward by the
2 September Arkansas Legislative Council or Joint Budget Committee meeting
3 which report shall include the name of the Agency, Board, Commission or
4 Institution and the amount of the funding carried forward, the program name
5 or line item, the funding source of that appropriation and a copy of the
6 written request set forth in (1) above;

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

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

19 The provisions of this section shall be in effect only from July 1, ~~2022~~
20 2023 through June 30, ~~2023~~ 2024.

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22 SECTION 13. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
23 authorized by this act shall be limited to the appropriation for such agency
24 and funds made available by law for the support of such appropriations; and
25 the restrictions of the State Procurement Law, the General Accounting and
26 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
27 Procedures and Restrictions Act, or their successors, and other fiscal
28 control laws of this State, where applicable, and regulations promulgated by
29 the Department of Finance and Administration, as authorized by law, shall be
30 strictly complied with in disbursement of said funds.

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32 SECTION 14. LEGISLATIVE INTENT. It is the intent of the General
33 Assembly that any funds disbursed under the authority of the appropriations
34 contained in this act shall be in compliance with the stated reasons for
35 which this act was adopted, as evidenced by the Agency Requests, Executive
36 Recommendations and Legislative Recommendations contained in the budget

1 manuals prepared by the Department of Finance and Administration, letters, or
2 summarized oral testimony in the official minutes of the Arkansas Legislative
3 Council or Joint Budget Committee which relate to its passage and adoption.
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5 SECTION 15. EMERGENCY CLAUSE. It is found and determined by the
6 General Assembly, that the Constitution of the State of Arkansas prohibits
7 the appropriation of funds for more than a one (1) year period; that the
8 effectiveness of this Act on July 1, 2023 is essential to the operation of
9 the agency for which the appropriations in this Act are provided, and that in
10 the event of an extension of the legislative session, the delay in the
11 effective date of this Act beyond July 1, 2023 could work irreparable harm
12 upon the proper administration and provision of essential governmental
13 programs. Therefore, an emergency is hereby declared to exist and this Act
14 being necessary for the immediate preservation of the public peace, health
15 and safety shall be in full force and effect from and after July 1, 2023.
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