

1 State of Arkansas  
2 95th General Assembly  
3 Fiscal Session, 2026

# A Bill

HOUSE BILL 1052

4  
5 By: Joint Budget Committee  
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## For An Act To Be Entitled

8  
9 AN ACT TO MAKE AN APPROPRIATION FOR STATE TURNBACK  
10 FOR COUNTIES AND MUNICIPALITIES BY THE OFFICE OF THE  
11 TREASURER OF STATE FOR THE FISCAL YEAR ENDING JUNE  
12 30, 2027; AND FOR OTHER PURPOSES.  
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## Subtitle

15  
16 AN ACT TO MAKE AN APPROPRIATION FOR  
17 STATE TURNBACK FOR COUNTIES AND  
18 MUNICIPALITIES BY THE OFFICE OF THE  
19 TREASURER OF STATE FOR THE FISCAL YEAR  
20 ENDING JUNE 30, 2027; AND FOR OTHER  
21 PURPOSES.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. APPROPRIATION - GENERAL REVENUE TO CITIES. There is hereby  
27 appropriated, to the Office of the Treasurer of State, to be payable from the  
28 Municipal Aid Fund, for the purpose of distributing General Revenue accruing  
29 therein for the benefit of municipalities as provided by law, by the Office  
30 of the Treasurer of State for the fiscal year ending June 30, 2027, the  
31 following:  
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ITEM	FISCAL YEAR
<u>NO.</u>	<u>2026-2027</u>
(01) GENERAL REVENUES - CITIES	<u>\$29,372,099</u>



SECTION 2. APPROPRIATION - SPECIAL REVENUES TO CITIES. There is hereby appropriated, to the Office of the Treasurer of State, to be payable from the Municipal Aid Fund, for distributing Special Revenues accruing therein for the benefit of municipalities as provided by law, by the Office of the Treasurer of State for the fiscal year ending June 30, 2027, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2026-2027</u>
(01) SPECIAL REVENUES - CITIES	<u>\$215,000,000</u>

SECTION 3. APPROPRIATION - GENERAL REVENUES TO COUNTIES. There is hereby appropriated, to the Office of the Treasurer of State, to be payable from the County Aid Fund, for the purpose of distributing General Revenue accruing therein for the benefit of counties as provided by law, by the Office of the Treasurer of State for the fiscal year ending June 30, 2027, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2026-2027</u>
(01) GENERAL REVENUE - COUNTIES	<u>\$21,428,616</u>

SECTION 4. APPROPRIATION - SPECIAL REVENUES TO COUNTIES. There is hereby appropriated, to the Office of the Treasurer of State, to be payable from the County Aid Fund, for the purpose of distributing any monies provided by Highway Turnback, Severance Taxes to counties, and any other monies provided by the Acts of the General Assembly for the benefit of counties, by the Office of the Treasurer of State for the fiscal year ending June 30, 2027, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2026-2027</u>
(01) SPECIAL REVENUE - COUNTIES	<u>\$230,000,000</u>

SECTION 5. APPROPRIATION - UNANTICIPATED SPECIAL REVENUES - COUNTIES. There is hereby appropriated, to the Office of the Treasurer of State, to be payable from the County Aid Fund, for unanticipated monies received from the

1 sale or lease of minerals, oil and gas on federal military lands or from  
 2 other unanticipated special revenues, for the transfer to those counties to  
 3 which such monies are allocated by law, by the Office of the Treasurer of  
 4 State for the fiscal year ending June 30, 2027, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2026-2027</u>
(01) UNANTICIPATED SPECIAL REVENUES	<u>\$15,000,000</u>

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 10 SECTION 6. APPROPRIATION - UNANTICIPATED SPECIAL REVENUES - CITIES.

11 There is hereby appropriated, to the Office of the Treasurer of State, to be  
 12 payable from the Municipal Aid Fund, for unanticipated monies received from  
 13 the sale or lease of minerals, oil and gas of federal military lands or from  
 14 other unanticipated special revenues, for the transfer to those cities to  
 15 which such monies are allocated by law, by the Office of the Treasurer of  
 16 State for the fiscal year ending June 30, 2027, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2026-2027</u>
(01) UNANTICIPATED SPECIAL REVENUES	<u>\$10,000,000</u>

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 22 SECTION 7. APPROPRIATION - REAL PROPERTY TAX REDUCTION - COUNTIES.

23 There is hereby appropriated, to the Office of the Treasurer of State, to be  
 24 payable from the Property Tax Relief Trust Fund, for distributing funds  
 25 provided by a statewide property tax reduction to counties, by the Office of  
 26 the Treasurer of State for the fiscal year ending June 30, 2027, the  
 27 following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2026-2027</u>
(01) DISTRIBUTION TO COUNTIES FOR PROPERTY TAX RELIEF	<u>\$300,000,000</u>

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 34 SECTION 8. APPROPRIATION - PROPERTY TAX RELIEF FUND REVENUES

35 DISTRIBUTION TO COUNTIES. There is hereby appropriated, to the Office of the  
 36 Treasurer of State, to be payable from the Property Tax Relief Trust Fund,

1 for accruing therein for the benefit of counties to be distributed using the  
 2 formula for the County Aid Fund under §19-25-102(c), by the Office of the  
 3 Treasurer of State for the fiscal year ending June 30, 2027, the following:

5 ITEM	FISCAL YEAR
6 <u>NO.</u>	<u>2026-2027</u>
7 (01) DISTRIBUTION TO COUNTIES	<u>\$2,000,000</u>

8  
 9 SECTION 9. APPROPRIATION - PROPERTY TAX RELIEF FUND REVENUES  
 10 DISTRIBUTION TO CITIES. There is hereby appropriated, to the Office of the  
 11 Treasurer of State, to be payable from the Property Tax Relief Trust Fund,  
 12 for accruing therein for the benefit of municipalities to be distributed  
 13 using the formula for the Municipal Aid Fund under §19-25-101(c), by the  
 14 Office of the Treasurer of State for the fiscal year ending June 30, 2027,  
 15 the following:

17 ITEM	FISCAL YEAR
18 <u>NO.</u>	<u>2026-2027</u>
19 (01) DISTRIBUTION TO CITIES	<u>\$2,000,000</u>

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 21 SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 22 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.  
 23 DISTRIBUTION OF FUNDS. Funding provided in Property Tax Relief Fund Revenues  
 24 Distribution to Counties and Property Tax Relief Fund Revenues Distribution to  
 25 Cities of this Act from the Property Tax Relief Trust Fund shall not be  
 26 distributed unless there are sufficient funds in the Property Tax Relief Trust  
 27 Fund as of the date that the Chief Fiscal Officer of the State certifies the  
 28 amount in excess of the required reimbursement to the counties as provided in  
 29 §26-26-310(b)(2)(C)(i). If there are sufficient funds remaining in the  
 30 Property Tax Relief Trust Fund on December 31, ~~2025~~ 2026, as certified, the  
 31 Treasurer shall distribute two million dollars (\$2,000,000) to counties and  
 32 two million dollars (\$2,000,000) to cities for the fiscal year ending June 30,  
 33 ~~2026~~ 2027 from the balance remaining on December 31, ~~2025~~ 2026 from the  
 34 Property Tax Relief Trust Fund. The distribution to counties shall be made in  
 35 accordance with the distribution formula in §19-25-102(c). The distribution  
 36 to cities shall be made in accordance with the distribution formula in §19-25-

1 101(c). The funds attributable to sales and use taxes levied prior to July 1,  
2 ~~2025~~ 2026 shall not be transferred from the Property Tax Relief Trust Fund to  
3 the cities and counties.

4 The provisions of this section shall be in effect only from July 1, ~~2025~~  
5 2026 through June 30, ~~2026~~ 2027.

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

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

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

30 The provisions of this section shall be in effect only from July 1, ~~2025~~  
31 2026 through June 30, ~~2026~~ 2027.

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33 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
34 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL, AND TEMPORARY  
35 LAW. RESPONSIBILITY FOR FUNDING. Beginning on January 1, 2000, each county  
36 of the State shall be responsible for a portion of the cost of regular

1 salaries and personal services matching for deputy prosecuting attorneys who  
2 are to become state employees as of January 1, 2000. During the monthly  
3 distribution of general revenues to the counties, the Treasurer of State  
4 shall retain from each county, one-twelfth (1/12th) of 80% of the amount  
5 appropriated by each of the counties for salaries and associated fringe  
6 benefit costs as of January 1, 1999. The amount retained by the Treasurer of  
7 State shall be credited to the State Central Services Fund for the partial  
8 support of the regular salaries and personal services matching costs for  
9 deputy prosecuting attorneys. The amount which each county appropriated for  
10 salaries and associated fringe benefit costs as of January 1, 1999, shall be  
11 determined by the Division of Legislative Audit of the Legislative Joint  
12 Auditing Committee and shall be certified to the Treasurer of State on or  
13 before December 1, 1999.

14 Each county shall be responsible for paying twenty-five percent (25%) of  
15 the amount retained by the Treasurer of State for that county for the fiscal  
16 year ending June 30, 2024 under this section.

17 The provisions of this section shall be in effect only from July 1,  
18 ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

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20 SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
21 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

22 CARRY FORWARD. At the close of each fiscal year any unexpended funds for the  
23 County Aid and Municipal Aid line items shall be carried forward and  
24 distributed pursuant and in addition to the funding formula established under  
25 A.C.A 19-25-101 and 19-25-102 within forty-five (45) days.

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

28 (1) Prior to June 30, ~~2026~~ 2027 the Agency shall by written statement  
29 set forth its reason(s) for the need to carry forward said funding to the  
30 Department of Finance and Administration Office of Budget;

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

1 written request set forth in (1) above;

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

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

14 The provisions of this section shall be in effect only from July 1, ~~2025~~  
15 2026 through June 30, ~~2026~~ 2027.

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17 SECTION 14. COMPLIANCE WITH OTHER LAWS. Disbursement of funds  
18 authorized by this act shall be limited to the appropriation for such agency  
19 and funds made available by law for the support of such appropriations; and  
20 the restrictions of the State Procurement Law, the General Accounting and  
21 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary  
22 Procedures and Restrictions Act, or their successors, and other fiscal  
23 control laws of this State, where applicable, and regulations promulgated by  
24 the Department of Finance and Administration, as authorized by law, shall be  
25 strictly complied with in disbursement of said funds.

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27 SECTION 15. LEGISLATIVE INTENT. It is the intent of the General  
28 Assembly that any funds disbursed under the authority of the appropriations  
29 contained in this act shall be in compliance with the stated reasons for  
30 which this act was adopted, as evidenced by the Agency Requests, Executive  
31 Recommendations and Legislative Recommendations contained in the budget  
32 manuals prepared by the Department of Finance and Administration, letters, or  
33 summarized oral testimony in the official minutes of the Arkansas Legislative  
34 Council or Joint Budget Committee which relate to its passage and adoption.

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36 SECTION 16. EMERGENCY CLAUSE. It is found and determined by the

1 General Assembly, that the Constitution of the State of Arkansas prohibits  
2 the appropriation of funds for more than a one (1) year period; that the  
3 effectiveness of this Act on July 1, 2026 is essential to the operation of  
4 the agency for which the appropriations in this Act are provided, and that in  
5 the event of an extension of the legislative session, the delay in the  
6 effective date of this Act beyond July 1, 2026 could work irreparable harm  
7 upon the proper administration and provision of essential governmental  
8 programs. Therefore, an emergency is hereby declared to exist and this Act  
9 being necessary for the immediate preservation of the public peace, health  
10 and safety shall be in full force and effect from and after July 1, 2026.

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