

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

SENATE BILL 416

By: Senator B. Ballinger
By: Representative Breaux

For An Act To Be Entitled

AN ACT TO AMEND THE MUNICIPAL AID FUND TO DISTRIBUTE
MUNICIPAL AID TO NEWLY INCORPORATED MUNICIPALITIES;
TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE MUNICIPAL AID FUND TO
DISTRIBUTE MUNICIPAL AID TO NEWLY
INCORPORATED MUNICIPALITIES; AND TO
DECLARE AN EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 19-5-601(c), concerning the Municipal Aid Fund, is amended to add an additional subdivision to read as follows:

(6) If 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 based on the most recent federal decennial census as calculated by the Arkansas Geographic Information Systems Office.

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

(8)(A) It is the intention of this subsection that the proceeds from the countywide gross receipts tax shall be allocated and distributed to



each county and the municipalities therein on the basis of the last federal decennial census or the last countywide special census, whichever is the most recent. ~~However, in those counties in which one (1) or more municipalities had a special census before April 7, 1987, and the proceeds of the tax were distributed on the basis of the special census, the proceeds of the tax shall continue to be allocated and distributed in the same manner as those funds were distributed before April 7, 1987, until a special countywide census or a federal decennial census is conducted in the county.~~

(B) If 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 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), concerning the distribution of highway revenue to county and city funds, is amended to read as follows:

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

(B) If 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 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 or special census is required for the Treasurer of State to distribute moneys generated from municipal general and street turnback, and existing county sales and use taxes; that a procedure is

necessary to allow a municipality that incorporates during a federal decennial census and is unable to obtain a special census to use alternative population data for the purpose of distributing municipal general and street turnback and county sales tax funds; that without a proper procedure in place, a newly incorporated municipality may not have federal census data until 2022 and will not be able to receive proper disbursement of general and special turnback funds or disbursement of the county tax; and that this act is immediately necessary because without it a newly incorporated municipality cannot provide its inhabitants with services that are necessary for the health, safety, and welfare of the community. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

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

APPROVED: 3/24/21