

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

HOUSE BILL 1692

By: Representative Jett

For An Act To Be Entitled

AN ACT TO AUTHORIZE GENERAL USE OF SEVERANCE GAS
TURNBACK FUNDS BY MUNICIPALITIES; TO MAKE TECHNICAL
CORRECTIONS; AND FOR OTHER PURPOSES.

Subtitle

TO AUTHORIZE GENERAL USE OF SEVERANCE GAS
TURNBACK FUNDS BY MUNICIPALITIES; AND TO
MAKE TECHNICAL CORRECTIONS.

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

SECTION 1. Arkansas Code § 27-70-207(b) and (c), concerning distribution to county and city funds of highway revenue, are amended to read as follows:

(b)(1)(A) ~~With the exception of those revenues transferred pursuant to Section 2 of the Highway Improvement Revenue Act of 2007, all~~ All highway revenues transferred to the County Aid Fund under this subchapter shall be paid over by the Treasurer of State to the treasurers of the respective counties of this state for credit to the county highway fund, there to be used for transportation projects as deemed beneficial by the county to include without limitation:

(i) The maintenance, construction, and reconstruction of roads and bridges in the county highway system and for other surface transportation;

(ii) Public transportation; or

(iii) Any other transportation system improvement or service within the political subdivision, including without limitation those



projects defined as a transportation system under § 27-76-103(15) regardless of whether or not the political subdivision is a member of a regional mobility authority.

(B) A county may also use these funds to construct and maintain parking for county courthouses, county administration buildings, county health units, and county parks and to construct and maintain sidewalks that serve county courthouses, county administration buildings, county health units, county parks, public schools, and other publicly owned property.

(C) A county may use these funds to pay for local projects eligible for funding under state programs of the Arkansas State Highway and Transportation Department and the State Highway Commission and under federal programs of the Federal Highway Administration and the Federal Transit Administration of the United States Department of Transportation.

(D) Furthermore, the funds may be used to install and maintain traffic signals where needed to preserve public health, safety, and welfare.

(E) A county may provide these funds to a regional mobility authority to match federal transportation funds for the financing of surface transportation system improvements on state highways, county roads, and city streets.

~~(2)(A) Funds disbursed to the County Aid Fund pursuant to Section 2 of the Highway Improvement Revenue Act of 2007 may be expended by the counties on any legitimate county purpose and are not limited to the uses set forth in subdivision (b)(1) of this section.~~

~~(B) Funds disbursed to the County Aid Fund pursuant to Section 2 of the Highway Improvement Revenue Act of 2007 shall be distributed to the various counties as are other funds contained in the County Aid Fund pursuant to subdivision (b)(3) of this section.~~

~~(3)~~ (2) The Treasurer of State shall on or before the tenth day next following the last day of each calendar month make distribution of the revenues on the following basis:

(A) Thirty-one percent (31%) of the amount according to area, with each county to receive the proportion that its area bears to the area of the state;

(B) Seventeen and one-half percent (17.5%) of the amount according to the amount of state motor vehicle license fees collected in the

calendar year next preceding any distribution as certified to the Treasurer of State by the Director of the Department of Finance and Administration, with each county to receive the proportion that the total of fees collected from the county bears to the total of fees collected in the state;

(C) Seventeen and one-half percent (17.5%) of the amount according to population based upon the most recent federal decennial census, with each county to receive the proportion that its population bears to the population of the state;

(D) Thirteen and one-half percent (13.5%) of the amount according to rural population based upon the most recent federal decennial census, with each county to receive the proportion that its rural population bears to the rural population of the state; and

(E) Twenty and one-half percent (20.5%) of the amount shall be divided equally among the seventy-five (75) counties.

(c)(1)(A) With the exception of those revenues transferred pursuant to ~~Section 2 of the Highway Improvement Revenue Act of 2007, § 26-58-124(c)(2) related to the severance tax on natural gas,~~ all highway revenues transferred to the Municipal Aid Fund under the provisions of this subchapter shall be paid over by the Treasurer of State to the treasurers of the respective cities of the first class, cities of the second class, and incorporated towns for credit to the street fund, there to be used for transportation projects as deemed beneficial by the governing body of the political subdivision to include without limitation:

(i) The maintenance, construction, and reconstruction of streets that are not continuations of state highways and for other surface transportation;

(ii) Public transportation; or

(iii) Any other transportation system improvement or service within the political subdivision, including without limitation those projects defined as a transportation system under § 27-76-103(15), regardless of whether or not the political subdivision is a member of a regional mobility authority.

(B) A city may provide these funds to a regional mobility authority to match federal transportation funds for the financing of surface transportation system improvements on state highways, county roads, and city streets.

(2) 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.

(3)(A) Funds disbursed to the Municipal Aid Fund pursuant to ~~Section 2 of the Highway Improvement Revenue Act of 2007~~ § 26-58-124(c)(2) related to the severance tax on natural gas may be expended by the cities on any legitimate municipal purpose and are not limited to the uses set forth in subdivision (c)(1) of this section.

(B) Funds disbursed to the Municipal Aid Fund pursuant to ~~Section 2 of the Highway Improvement Revenue Act of 2007~~ § 26-58-124(c)(2) related to the severance tax on natural gas shall be distributed to the various cities as are other funds contained in the Municipal Aid Fund pursuant to subdivision (c)(2) of this section.