

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

HOUSE BILL 1127

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, 2022; AND FOR OTHER PURPOSES.
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13

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, 2022;
18 AND FOR OTHER PURPOSES.
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20

21
22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 THE STATE OF ARKANSAS:
24

25 SECTION 1. APPROPRIATION - GENERAL REVENUES TO CITIES. There is hereby
26 appropriated, to the Office of the Treasurer of State, to be payable from the
27 Municipal Aid Fund, for the purpose of distributing General Revenue accruing
28 therein for the benefit of municipalities as provided by law, by the Office
29 of Treasurer of State for the fiscal year ending June 30, 2022, the
30 following:
31

ITEM	FISCAL YEAR
NO.	2021-2022
(01) GENERAL REVENUES - CITIES	<u>\$29,372,099</u>

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36 SECTION 2. APPROPRIATION - SPECIAL REVENUES TO CITIES. There is hereby



1 appropriated, to the Office of the Treasurer of State, to be payable from the
 2 Municipal Aid Fund, for distributing Special Revenues accruing therein for
 3 the benefit of municipalities as provided by law, by the Office of Treasurer
 4 of State for the fiscal year ending June 30, 2022, the following:

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6 ITEM	FISCAL YEAR
7 <u>NO.</u>	<u>2021-2022</u>
8 (01) SPECIAL REVENUES - CITIES	<u>\$190,000,000</u>

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10 SECTION 3. APPROPRIATION - GENERAL REVENUES TO COUNTIES. There is
 11 hereby appropriated, to the Office of the Treasurer of State, to be payable
 12 from the County Aid Fund, for the purpose of distributing General Revenue
 13 accruing therein for the benefit of counties as provided by law, by the
 14 Office of Treasurer of State for the fiscal year ending June 30, 2022, the
 15 following:

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17 ITEM	FISCAL YEAR
18 <u>NO.</u>	<u>2021-2022</u>
19 (01) GENERAL REVENUE - COUNTIES	<u>\$21,428,616</u>

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21 SECTION 4. APPROPRIATION - SPECIAL REVENUES TO COUNTIES. There is
 22 hereby appropriated, to the Office of the Treasurer of State, to be payable
 23 from the County Aid Fund, for the purpose of distributing any monies provided
 24 by Highway Turnback, Severance Taxes to counties, and any other monies
 25 provided by the Acts of the General Assembly for the benefit of counties, by
 26 the Office of Treasurer of State for the fiscal year ending June 30, 2022,
 27 the following:

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29 ITEM	FISCAL YEAR
30 <u>NO.</u>	<u>2021-2022</u>
31 (01) SPECIAL REVENUE - COUNTIES	<u>\$205,000,000</u>

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33 SECTION 5. APPROPRIATION - UNANTICIPATED SPECIAL REVENUES. There is
 34 hereby appropriated, to the Office of the Treasurer of State, to be payable
 35 from the County Aid Fund, for unanticipated monies received from the sale or
 36 lease of minerals, oil and gas on federal military lands or from other

1 unanticipated special revenues, for the transfer to those counties to which
 2 such monies are allocated by law, by the Office of Treasurer of State for the
 3 fiscal year ending June 30, 2022, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2021-2022</u>
(01) UNANTICIPATED SPECIAL REVENUES	<u>\$20,000,000</u>

9 SECTION 6. APPROPRIATION - REAL PROPERTY TAX REDUCTION - COUNTIES.

10 There is hereby appropriated, to the Office of the Treasurer of State, to be
 11 payable from the Property Tax Relief Trust Fund, for distributing funds
 12 provided by a statewide property tax reduction to counties, by the Office of
 13 Treasurer of State for the fiscal year ending June 30, 2022, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2021-2022</u>
(01) DISTRIBUTION TO COUNTIES FOR PROPERTY TAX RELIEF	<u>\$300,000,000</u>

20 SECTION 7. APPROPRIATION - PROPERTY TAX RELIEF FUND REVENUES

21 DISTRIBUTION TO COUNTIES. There is hereby appropriated, to the Office of the
 22 Treasurer of State, to be payable from the Property Tax Relief Trust Fund,
 23 for accruing therein for the benefit of counties to be distributed using the
 24 formula for the County Aid Fund under §19-5-602(c), by the Office of
 25 Treasurer of State for the fiscal year ending June 30, 2022, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2021-2022</u>
(01) DISTRIBUTION TO COUNTIES	<u>\$2,000,000</u>

31 SECTION 8. APPROPRIATION - PROPERTY TAX RELIEF FUND REVENUES

32 DISTRIBUTION TO CITIES. There is hereby appropriated, to the Office of the
 33 Treasurer of State, to be payable from the Property Tax Relief Trust Fund,
 34 for accruing therein for the benefit of municipalities to be distributed
 35 using the formula for the Municipal Aid Fund under §19-5-601(c), by the
 36 Office of Treasurer of State for the fiscal year ending June 30, 2022, the

1 following:

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3 ITEM	FISCAL YEAR
4 <u>NO.</u>	<u>2021-2022</u>
5 (01) DISTRIBUTION TO CITIES	<u>\$2,000,000</u>

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7 SECTION 9. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
 8 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

9 DISTRIBUTION OF FUNDS. Funding provided in Property Tax Relief Fund Revenues
 10 Distribution to Counties and Property Tax Relief Fund Revenues Distribution to
 11 Cities of this Act from the Property Tax Relief Trust Fund shall not be
 12 distributed unless there are sufficient funds in the Property Tax Relief Trust
 13 Fund as of the date that the Chief Fiscal Officer of the State certifies the
 14 amount in excess of the required reimbursement to the counties as provided in
 15 §26-26-310(b)(2)(C)(i). If there are sufficient funds remaining in the
 16 Property Tax Relief Trust Fund on December 31, ~~2020~~ 2021, as certified, the
 17 Treasurer shall distribute two million dollars (\$2,000,000) to counties and
 18 two million dollars (\$2,000,000) to cities for the fiscal year ending June 30,
 19 ~~2021~~ 2022 from the balance remaining on December 31, ~~2020~~ 2021 from the
 20 Property Tax Relief Trust Fund. The distribution to counties shall be made in
 21 accordance with the distribution formula in §19-5-602(c). The distribution to
 22 cities shall be made in accordance with the distribution formula in §19-5-
 23 601(b). The funds attributable to sales and use taxes levied prior to July 1,
 24 ~~2020~~ 2021 shall not be transferred from the Property Tax Relief Trust Fund to
 25 the cities and counties.

26 The provisions of this section shall be in effect only from July 1, ~~2020~~
 27 2021 through June 30, ~~2021~~ 2022.

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29 SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
 30 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. COUNTY
 31 TURNBACK - UNANTICIPATED FUNDS. The appropriation authorized for General
 32 Revenue to Counties or any other appropriation as provided by the General
 33 Assembly for aid to counties may be supplemented, if necessary, by a transfer
 34 from the appropriation provided for Unanticipated Special Revenues in this
 35 Act.

36 The provisions of this section shall be in effect only from July 1, ~~2020~~

1 2021 through June 30, ~~2021~~ 2022.

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3 SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
4 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. LOANS TO
5 CITIES AND COUNTIES. On July 1 of each fiscal year, the Chief Fiscal Officer
6 of the State shall request a transfer by the State Treasurer from the Budget
7 Stabilization Trust Fund to the County Aid Fund and to the Municipal Aid Fund
8 to assist the various cities and counties in meeting cash flow needs early in
9 the state fiscal year. The transfer shall be a loan to be repaid in equal
10 installments from general revenue distributions each month during the fiscal
11 year for which the loan was made and shall be in addition to any other loans
12 authorized by law for the County Aid and Municipal Aid Funds. The amount of
13 such loan for each fiscal year shall be \$3,517,657 to the Municipal Aid Fund
14 and \$1,906,079 to the County Aid Fund, or so much thereof as may be available
15 in the Budget Stabilization Trust Fund as determined by the Chief Fiscal
16 Officer of the State. Upon such transfer being completed, the State
17 Treasurer shall immediately distribute such funds to each of the several
18 municipalities and counties in the same manner as general revenues are
19 distributed.

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

26 The provisions of this section shall be in effect only from July 1, ~~2020~~
27 2021 through June 30, ~~2021~~ 2022.

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29 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
30 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. CARRY
31 FORWARD. At the close of each fiscal year any unexpended funds for the
32 County Aid and Municipal Aid line items shall be carried forward and
33 distributed pursuant and in addition to the funding formula established under
34 A.C.A 19-5-601 and 19-5-602 within forty-five (45) days.

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

1 (1) Prior to June 30, ~~2021~~ 2022 the Agency shall by written statement
2 set forth its reason(s) for the need to carry forward said funding to the
3 Department of Finance and Administration Office of Budget;

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

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

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

23 The provisions of this section shall be in effect only from July 1, ~~2020~~
24 2021 through June 30, ~~2021~~ 2022.

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

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36 SECTION 14. LEGISLATIVE INTENT. It is the intent of the General

1 Assembly that any funds disbursed under the authority of the appropriations
2 contained in this act shall be in compliance with the stated reasons for
3 which this act was adopted, as evidenced by the Agency Requests, Executive
4 Recommendations and Legislative Recommendations contained in the budget
5 manuals prepared by the Department of Finance and Administration, letters, or
6 summarized oral testimony in the official minutes of the Arkansas Legislative
7 Council or Joint Budget Committee which relate to its passage and adoption.
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9 SECTION 15. EMERGENCY CLAUSE. It is found and determined by the
10 General Assembly, that the Constitution of the State of Arkansas prohibits
11 the appropriation of funds for more than a one (1) year period; that the
12 effectiveness of this Act on July 1, 2021 is essential to the operation of
13 the agency for which the appropriations in this Act are provided, and that in
14 the event of an extension of the legislative session, the delay in the
15 effective date of this Act beyond July 1, 2021 could work irreparable harm
16 upon the proper administration and provision of essential governmental
17 programs. Therefore, an emergency is hereby declared to exist and this Act
18 being necessary for the immediate preservation of the public peace, health
19 and safety shall be in full force and effect from and after July 1, 2021.
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