

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
95th General Assembly  
Regular Session, 2025

As Engrossed: H2/25/25

## A Bill

HOUSE BILL 1522

By: Representative Womack

By: Senator A. Clark

### For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE DISTRIBUTION OF CERTAIN FUNDS TO MUNICIPALITIES; TO AMEND THE LAW TO ALLOW FOR THE DISTRIBUTION OF FUNDS IN THE MUNICIPAL AID FUND, TURNBACK FUNDS, AND COUNTY SALES AND USE TAX REVENUES TO NEWLY INCORPORATED MUNICIPALITIES; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

### Subtitle

TO AMEND THE LAW TO ALLOW FOR THE DISTRIBUTION OF FUNDS IN THE MUNICIPAL AID FUND, TURNBACK FUNDS, AND COUNTY SALES AND USE TAX REVENUES 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)(6), concerning the Municipal Aid Fund, is amended to read as follows:

(6) ~~If~~ When 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 calculated by the Arkansas Geographic Information Systems Office 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)(B), concerning the disposition of funds generated from a municipal sales tax levied for capital improvements, is amended to read as follows:

(B) ~~If~~ When 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 calculated by the Arkansas Geographic Information Systems Office 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)(B), concerning the distribution of highway revenues to county and city funds, is amended to read as follows:

(B) ~~If~~ When 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 calculated by the Arkansas Geographic Information Systems Office 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 census or a special census is required for the Treasurer of State to distribute moneys received as municipal turnback funds or generated from existing county sales and use taxes; that a procedure is necessary to allow a newly incorporated municipality to use alternative population data until a special census or the federal decennial census is conducted for the purpose of distributing municipal turnback funds and county sales and use tax revenues; that without a proper procedure, a newly incorporated municipality may not have federal census data for over a year and will not be able to receive proper disbursement of turnback funds or county sales and use tax revenues; and that this act is immediately necessary to enable a newly incorporated municipality to provide the residents of the

municipality 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.

*/s/Womack*