

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

# A Bill

SENATE BILL 416

5 By: Senator B. Ballinger  
6 By: Representative Breaux  
7

## For An Act To Be Entitled

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

15 TO AMEND THE MUNICIPAL AID FUND TO  
16 DISTRIBUTE MUNICIPAL AID TO NEWLY  
17 INCORPORATED MUNICIPALITIES; AND TO  
18 DECLARE AN EMERGENCY.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code § 19-5-601(c), concerning the Municipal Aid  
24 Fund, is amended to add an additional subdivision to read as follows:

25 (6) If a municipality incorporates during a year in which a  
26 federal decennial census is conducted, then for purposes of this section and  
27 until data from a federal decennial or special census is made available to  
28 the municipality, the population of the municipality shall be based on the  
29 most recent federal decennial census as calculated by the Arkansas Geographic  
30 Information Systems Office.  
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32 SECTION 2. Arkansas Code § 26-74-313(d)(8), concerning the disposition  
33 of funds generated from the sales tax on capital improvements, is amended to  
34 read as follows:

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



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

9 (B) If a municipality incorporates during a year in which  
10 a federal decennial census is conducted, then for purposes of this section  
11 and until data from a federal decennial or special census is made available  
12 to the municipality, the population of the municipality shall be based on the  
13 most recent federal decennial census as calculated by the Arkansas Geographic  
14 Information Systems Office.

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16 SECTION 3. Arkansas Code § 27-70-207(c)(2), concerning the  
17 distribution of highway revenue to county and city funds, is amended to read  
18 as follows:

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

25 (B) If a municipality incorporates during a year in which  
26 a federal decennial census is conducted, then for purposes of this section  
27 and until data from a federal decennial or special census is made available  
28 to the municipality, the population of the municipality shall be based on the  
29 most recent federal decennial census as calculated by the Arkansas Geographic  
30 Information Systems Office.

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32 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the  
33 General Assembly of the State of Arkansas that federal population data from  
34 the federal decennial or special census is required for the Treasurer of  
35 State to distribute moneys generated from municipal general and street  
36 turnback, and existing county sales and use taxes; that a procedure is

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

14 (1) The date of its approval by the Governor;

15 (2) If the bill is neither approved nor vetoed by the Governor,  
 16 the expiration of the period of time during which the Governor may veto the  
 17 bill; or

18 (3) If the bill is vetoed by the Governor and the veto is  
 19 overridden, the date the last house overrides the veto.

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 22 **APPROVED: 3/24/21**  
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