

State of Arkansas

As Engrossed: H2/25/25

95th General Assembly

## A Bill

Regular Session, 2025

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.~~



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

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

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13 SECTION 3. Arkansas Code § 27-70-207(c)(2)(B), concerning the  
14 distribution of highway revenues to county and city funds, is amended to read  
15 as follows:

16 (B) ~~If~~ When a municipality incorporates ~~during a year in~~  
17 ~~which a federal decennial census is conducted, then~~ for purposes of this  
18 section and until data from a federal decennial or special census is made  
19 available to the municipality, the population of the municipality shall be  
20 calculated by the Arkansas Geographic Information Systems Office based on the  
21 most recent federal decennial census as calculated by the Arkansas Geographic  
22 Information Systems Office.

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24 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the  
25 General Assembly of the State of Arkansas that federal population data from  
26 the federal decennial census or a special census is required for the  
27 Treasurer of State to distribute moneys received as municipal turnback funds  
28 or generated from existing county sales and use taxes; that a procedure is  
29 necessary to allow a newly incorporated municipality to use alternative  
30 population data until a special census or the federal decennial census is  
31 conducted for the purpose of distributing municipal turnback funds and county  
32 sales and use tax revenues; that without a proper procedure, a newly  
33 incorporated municipality may not have federal census data for over a year  
34 and will not be able to receive proper disbursement of turnback funds or  
35 county sales and use tax revenues; and that this act is immediately necessary  
36 to enable a newly incorporated municipality to provide the residents of the

1 municipality with services that are necessary for the health, safety, and  
2 welfare of the community. Therefore, an emergency is declared to exist, and  
3 this act being immediately necessary for the preservation of the public  
4 peace, health, and safety shall become effective on:

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

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

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

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12 */s/Womack*

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15 **APPROVED: 4/14/25**  
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