

# COUNTY AID

## Enabling Laws

Act 72 of 2010  
A.C.A. §19-5-602

## History and Organization

Established by A.C.A. §19-5-602, the County Aid Fund consists of:

- General revenues provided under the Revenue Stabilization Law;
- Special revenues including:
  - Arkansas Highway Revenue Distribution Law - A.C.A. §27-70-201 et seq.
  - Special revenues specified in A.C.A. §19-6-301 subdivisions (74) and (117)
  - 34% of those special revenues as specified in subdivision (20) of A.C.A. §19-6-301
  - 25% of all severance taxes other than those imposed upon saw timber and timber products as set out in subdivision (18) of A.C.A. §19-6-301 of the Revenue Classification Law

All distributions of general and special revenues are to be made within ten (10) days after the close of each calendar month to the respective counties.

General revenue is distributed with seventy-five percent (75%) divided equally among the seventy-five (75) counties of the state and twenty-five percent (25%) distributed on the basis of population according to the most recent federal decennial or special census, with each county to receive the proportion that its population bears to the total population of the state. The funds are received by the County Treasurer and are to be credited to the County General Fund to be used for general county purposes, unless otherwise appropriated by the Quorum Court.

The biennial budget request for the County Aid Fund is prepared and submitted by the Director of the Arkansas Association of Counties.

## **Agency Commentary**

Counties in Arkansas are a constitutionally created political subdivision of the State. Every citizen lives in a county and receives part of his or her government services from the county. A.C.A. §14-14-802 provides that county government shall provide the following necessary services for its citizens:

- a) the administration of justice through several courts of record of the county;
- b) law enforcement protection services and the custody of persons accused or convicted of crimes;
- c) real and personal property tax administration, including assessments, collection and custody of tax proceeds;
- d) court and public records management, as provided by law, including registration, recording and custody of public records; and
- e) all other services prescribed by State law for performance by each of the several elected county officers or departments of county government.

In order to assist counties with ever-increasing costs of providing services, the State began some funding as far back as 1964 and in 1973 by Act 750 of the General Assembly created the County Aid Fund (turnback).

Act 1476 of 2009 provided to simplify and clarify the method of distribution of moneys received by the Treasurer of State from the federal government for a sale, lease, royalty, bonus, or rental of oil, gas, or mineral lands belonging to the federal government and located in this state by amending ACA 19-7-801 and repealing ACA 19-7-802. These modifications removed the need to maintain separate appropriations.

The Association of Arkansas Counties requests Base Level for the 2011-2013 biennium, with the exception of Military Land Sale (Appropriation 1CW) and Military Land Taxing Unit Distribution (Appropriation 1CX), which are not requested as a result of changes made by Act 1476 of 2009. In the future, all grants funded from the sale or lease of oil, gas, or mineral lands belonging to the federal government will be made from Unanticipated Special Revenues (Appropriation 190).

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :  
COUNTY AID

FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

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The Division of Legislative Audit does not perform an audit for the Agency.

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
073 General Revenue to Counties	12,390,501	0	19,645,067	0	19,741,546	0	19,645,067	0	19,645,067	0	19,645,067	0	19,645,067	0	19,645,067	0	19,645,067	0
074 Special Revenue to Counties	95,315,882	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0
190 Mineral Lease	15,460,265	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0
1CW Military Land Sale	0	0	750,000	0	750,000	0	750,000	0	0	0	0	0	750,000	0	0	0	0	0
1CX Military Land Taxing Unit Distribution	0	0	1,250,000	0	1,250,000	0	1,250,000	0	0	0	0	0	1,250,000	0	0	0	0	0
738 Real Property Tax Reduction-Counties	203,402,255	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0
738A Property Tax Relief - Counties	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
<b>Total</b>	<b>330,568,903</b>	<b>0</b>	<b>455,645,067</b>	<b>0</b>	<b>455,741,546</b>	<b>0</b>	<b>455,645,067</b>	<b>0</b>	<b>453,645,067</b>	<b>0</b>	<b>453,645,067</b>	<b>0</b>	<b>455,645,067</b>	<b>0</b>	<b>453,645,067</b>	<b>0</b>	<b>453,645,067</b>	<b>0</b>

Funding Sources		%		%		%		%		%		%		%		%	
General Revenue	4000010	12,390,501	3.7	19,645,067	4.3	19,645,067	4.3	19,645,067	4.3	19,645,067	4.3	19,645,067	4.3	19,645,067	4.3	19,645,067	4.3
Federal Revenue	4000020	15,460,265	4.7	22,000,000	4.8	22,000,000	4.8	20,000,000	4.4	20,000,000	4.4	22,000,000	4.8	20,000,000	4.4	20,000,000	4.4
Special Revenue	4000030	95,315,882	28.8	160,000,000	35.1	160,000,000	35.1	160,000,000	35.3	160,000,000	35.3	160,000,000	35.1	160,000,000	35.3	160,000,000	35.3
Trust Fund	4000050	207,402,255	62.7	254,000,000	55.7	254,000,000	55.7	254,000,000	56.0	254,000,000	56.0	254,000,000	55.7	254,000,000	56.0	254,000,000	56.0
Total Funds		330,568,903	100.0	455,645,067	100.0	455,645,067	100.0	453,645,067	100.0	453,645,067	100.0	455,645,067	100.0	453,645,067	100.0	453,645,067	100.0
Excess Appropriation/(Funding)		0		0		0		0		0		0		0		0	
Grand Total		330,568,903		455,645,067		455,645,067		453,645,067		453,645,067		455,645,067		453,645,067		453,645,067	

Special Language authorizes carry forward of funding for all County Aid Appropriations.

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

## **Analysis of Budget Request**

**Appropriation:** 073 - General Revenue to Counties

**Funding Sources:** MLC - County Aid Fund

The following appropriations provide spending authority for the Treasurer's Office to distribute general, special and federal funds to counties:

- General Revenue to Counties (073)
- Special Revenue to Counties (074)
- Unanticipated Special Revenue - Mineral Lease (190)
- Military Land Sale (1CW)
- Military Land Taxing Unit Distribution (1CX)

Act 1476 of 2009 provided to simplify and clarify the method of distribution of moneys received by the Treasurer of State from the federal government for a sale, lease, royalty, bonus, or rental of oil, gas, or mineral lands belonging to the federal government and located in this state by amending ACA 19-7-801 and repealing ACA 19-7-802. These modifications removed the need to maintain separate appropriations.

In addition to Base Level, the Association of Arkansas Counties requests to discontinue Military Land Sale (Appropriation 1CW) and Military Land Taxing Unit Distribution (Appropriation 1CX). All future grant distributions for the sale or lease of oil, gas, or mineral lands belonging to the federal government will be made from Unanticipated Special Revenue (Appropriation 190).

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 073 - General Revenue to Counties

**Funding Sources:** MLC - County Aid Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	12,390,501	19,645,067	19,741,546	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067
Total		12,390,501	19,645,067	19,741,546	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067
<b>Funding Sources</b>										
General Revenue	4000010	12,390,501	19,645,067		19,645,067	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067
Total Funding		12,390,501	19,645,067		19,645,067	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		12,390,501	19,645,067		19,645,067	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067

Special Language provides for carry forward of funding. The carry forward funding amount for FY11 was \$422,228.

FY10 Actual does not reflect fund transfers to the State Central Services Fund to support Deputy Prosecutors (\$4,868,618) or to the Assessment Coordination Department for the Real Property Reappraisal Program (\$2,280,000).

## Appropriation Summary

**Appropriation:** 074 - Special Revenue to Counties

**Funding Sources:** MLC - County Aid Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	95,315,882	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
Total		95,315,882	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000

Funding Sources									
Special Revenue	4000030	95,315,882	160,000,000		160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
Total Funding		95,315,882	160,000,000		160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0
Grand Total		95,315,882	160,000,000		160,000,000	160,000,000	160,000,000	160,000,000	160,000,000

Special Language provides for carry forward of funding. The carry forward funding amount for FY11 was \$247,392.

## Appropriation Summary

**Appropriation:** 190 - Mineral Lease

**Funding Sources:** MLC - County Aid Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	15,460,265	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total		15,460,265	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
<b>Funding Sources</b>										
Federal Revenue	4000020	15,460,265	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Funding		15,460,265	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		15,460,265	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000

Special Language provides for carry forward of funding. The carry forward funding amount for FY11 was \$308,901.

## Appropriation Summary

**Appropriation:** 1CW - Military Land Sale

**Funding Sources:** MLC - County Aid Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	750,000	750,000	750,000	0	0	750,000	0	0
Total	0	750,000	750,000	750,000	0	0	750,000	0	0
<b>Funding Sources</b>									
Federal Revenue 4000020	0	750,000		750,000	0	0	750,000	0	0
Total Funding	0	750,000		750,000	0	0	750,000	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	750,000		750,000	0	0	750,000	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

## Change Level by Appropriation

**Appropriation:** 1CW - Military Land Sale  
**Funding Sources:** MLC - County Aid Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>750,000</b>	<b>0</b>	<b>750,000</b>	<b>100.0</b>	<b>750,000</b>	<b>0</b>	<b>750,000</b>	<b>100.0</b>
C03	Discontinue Program	(750,000)	0	0	0.0	(750,000)	0	0	0.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>750,000</b>	<b>0</b>	<b>750,000</b>	<b>100.0</b>	<b>750,000</b>	<b>0</b>	<b>750,000</b>	<b>100.0</b>
C03	Discontinue Program	(750,000)	0	0	0.0	(750,000)	0	0	0.0

### Justification

C03	Act 1476 of 2009 provided to simplify the revenue distribution from the sale or lease of oil, minerals or gas on federal property. As a result, this appropriation is no longer required. Future grant distributions will be made from Unanticipated Special Revenues (Appropriation 190).
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## Appropriation Summary

**Appropriation:** 1CX - Military Land Taxing Unit Distribution

**Funding Sources:** MLC - County Aid Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	1,250,000	1,250,000	1,250,000	0	0	1,250,000	0	0
<b>Total</b>	<b>0</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>0</b>	<b>0</b>	<b>1,250,000</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	0	1,250,000		1,250,000	0	0	1,250,000	0	0
<b>Total Funding</b>	<b>0</b>	<b>1,250,000</b>		<b>1,250,000</b>	<b>0</b>	<b>0</b>	<b>1,250,000</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>0</b>	<b>1,250,000</b>		<b>1,250,000</b>	<b>0</b>	<b>0</b>	<b>1,250,000</b>	<b>0</b>	<b>0</b>

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

## Change Level by Appropriation

**Appropriation:** 1CX - Military Land Taxing Unit Distribution  
**Funding Sources:** MLC - County Aid Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,250,000</b>	<b>0</b>	<b>1,250,000</b>	<b>100.0</b>	<b>1,250,000</b>	<b>0</b>	<b>1,250,000</b>	<b>100.0</b>
C03	Discontinue Program	(1,250,000)	0	0	0.0	(1,250,000)	0	0	0.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,250,000</b>	<b>0</b>	<b>1,250,000</b>	<b>100.0</b>	<b>1,250,000</b>	<b>0</b>	<b>1,250,000</b>	<b>100.0</b>
C03	Discontinue Program	(1,250,000)	0	0	0.0	(1,250,000)	0	0	0.0

### Justification

C03	Act 1476 of 2009 provided to simplify the revenue distribution from the sale or lease of oil, minerals or gas on federal property. As a result, this appropriation is no longer required. Future grant distributions will be made from Unanticipated Special Revenues (Appropriation 190).
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## **Analysis of Budget Request**

**Appropriation:** 738 - Real Property Tax Reduction-Counties

**Funding Sources:** TPR - Property Tax Relief Trust

Amendment 79 to the Arkansas Constitution proposed limiting the increase in the assessed value of a taxpayer's real property after a countywide reappraisal and a required property tax credit of at least three hundred dollars (\$300) on homestead property. This amendment was adopted at the November 2000 general election and became effective January 1, 2001.

This appropriation provides spending authority for the Treasurer's Office to distribute special revenue to counties based upon a property tax reduction.

The Association of Arkansas Counties requests Base Level for the 2011-2013 biennium.

The Executive Recommendation provides for the Agency Request.

# Appropriation Summary

**Appropriation:** 738 - Real Property Tax Reduction-Counties

**Funding Sources:** TPR - Property Tax Relief Trust

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	203,402,255	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
<b>Total</b>	<b>203,402,255</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>

Funding Sources									
Trust Fund 4000050	203,402,255	250,000,000		250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
<b>Total Funding</b>	<b>203,402,255</b>	<b>250,000,000</b>		<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>203,402,255</b>	<b>250,000,000</b>		<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>

Special Language provides for carry forward of funding. For FY11, the carry forward funding amount was \$334,963.

## **Analysis of Budget Request**

**Appropriation:** 738A - Property Tax Relief - Counties

**Funding Sources:** TPR - Property Tax Relief Trust Fund

Amendment 79 to the Arkansas Constitution proposed limiting the increase in the assessed value of a taxpayer's real property after a countywide reappraisal and a required property tax credit of at least three hundred dollars (\$300) on homestead property. This amendment was adopted at the November 2000 general election and became effective January 1, 2001.

Beginning with Act 1268 of 2007, this appropriation provides additional spending authority for the Treasurer's Office to distribute surplus property tax reduction special revenue to counties, contingent upon available funding.

The Association of Arkansas Counties requests Base Level for the 2011-2013 biennium.

The Executive Recommendation provides for the Agency Request. Use of this appropriation is contingent on availability of funding.

# Appropriation Summary

**Appropriation:** 738A - Property Tax Relief - Counties

**Funding Sources:** TPR - Property Tax Relief Trust Fund

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
<b>Total</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>
<b>Funding Sources</b>									
Trust Fund 4000050	4,000,000	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
<b>Total Funding</b>	<b>4,000,000</b>	<b>4,000,000</b>		<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>4,000,000</b>	<b>4,000,000</b>		<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>