

STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

ARKANSAS COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funding:

- Taxes on motor fuels (diesel and gasoline) account for 46 percent of total State Highway Department funding. Each county receives 15 percent of this revenue, which counties must use for the construction and maintenance of county roads.
- Funds that are available for local governments from the State Highway Department are the State Highway Department Fund and the State Aid Road Fund. State Aid Road funds are matched 90 percent state and 10 percent local.
- In 2008 - 2010, Arkansas Gross Highway User Revenues totaled \$1.2 billion. Counties and cities received 27 percent of total revenues, or \$337 million.

From Federal Funding:

- Forty-seven (47) percent of total State Highway Department funding is from federal-aid from the Federal Highway Administration (FHWA)—a portion of which goes to counties.

From County Funding:

- In 2010, County revenue accounted for 5 percent of total construction funds. City revenue accounted for 1 percent, state revenue 19 percent and federal revenue 75 percent.
- Counties contribute to road funding through revenue sources such as property taxes and local options sales taxes for transportation.
- Counties may levy taxes at a rate of up to 3 mills on all real and personal property for the purposes of funding road and bridge projects. The county quorum court has the authority to set the tax rate, which is done every November.
- A county may levy a tax on the ownership of motor vehicles for the privilege of using public roads within the county.

NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- Arkansas voters passed a 1/2 cent sales tax increase in November 2012, which is dedicated to highway improvements for the next 10 years. Counties receive 15 percent of the sales tax revenue, which the state began levying in July 2013.

Share of County Owned Road Miles Out of Public Roads Statewide	66%
Share of County Owned Bridges Out of Public Bridges Statewide	34%
Share of Structurally Deficient Bridges Out of County Owned Bridges	12%

COUNTY FINANCIAL AUTHORITY		
	County Authority	Limitations
Levy Property Taxes	X	Counties have limitations on property tax rates and limitations on revenue they can collect each year.
Levy Personal Property Taxes	X	Cannot levy personal property taxes at rates higher than real property taxes unless the taxes are being used to pay off debt from a bond.
Levy Local Option Sales Taxes	X	Counties may levy a 0.25% sales tax with voter approval for the purpose of building and maintaining transportation facilities.
Levy a Local Gas Tax	X	
Charge a Motor Vehicle License or Registration Fee	X	Counties may levy a \$5 registration tax on all vehicles with voter approval.
Form Special Districts for Transportation	X	Special districts are created by a petition process.*

* Special districts can be formed for the following purposes: fire protection, community park maintenance, sanitation and hospitals