

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **Regular Session, 1991**  
4 **By: Senator Gibson**

**A BILL ACT 738 OF 1991**  
**SENATE BILL 522**

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6  
7 **For An Act To Be Entitled**

8 "AN ACT TO AUTHORIZE A COUNTY OR COUNTIES TO LEVY A 1%  
9 SALES AND USE TAX FOR THE PURPOSE OF FINANCING AIRPORTS  
10 AND RIVERPORTS, OR PORTIONS THEREOF, WHICH ARE JOINTLY  
11 OPERATED BY MORE THAN A SINGLE COUNTY; DECLARING AN  
12 EMERGENCY; AND FOR OTHER PURPOSES."

13

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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16 SECTION 1. This act shall be known as the "Multicounty Airport and  
17 Riverport Financing Act".

18

19 SECTION 2. Any county in the State of Arkansas may levy a sales and use  
20 tax, as described and set forth herein, for the purpose of providing funds for  
21 the acquisition, construction and equipping of properties, real, personal or  
22 mixed, tangible or intangible, to constitute all or a part of any airport or  
23 riverport owned and operated by such county and by one (1) or more other  
24 counties jointly or by a metropolitan port authority (pursuant to Arkansas  
25 Code of 1987 Annotated, Title 14, Chapter 185), a regional airport commission  
26 (as set forth in Arkansas Code of 1987 Annotated, Title 14, Chapter 362) or  
27 other instrumentality of such counties and for the other purposes set forth  
28 herein (the "Project").

29

30 SECTION 3. Any tax levied pursuant to the authority of this act shall  
31 be a tax equal to one percent (1%) on the sales price on items of personal  
32 property and services sold or to be used in the levying county, to the extent  
33 of and subject to the exemptions with respect to the gross receipts tax and  
34 compensating use tax (as set forth in Arkansas Code of 1987 Annotated, Title  
35 26, Chapter 52 and Arkansas Code of 1987 Annotated, Title 26, Chapter 53,  
36 respectively).

1           The tax shall be levied by ordinance of the quorum court of the county.

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3           SECTION 4. Any tax levied pursuant to this act shall be for a period of  
4 not longer than four (4) years.

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6           SECTION 5. (a) No ordinance shall be enacted by a quorum court  
7 levying a tax under this act until a majority of the qualified electors of the  
8 county voting on the question shall have approved the levy of the tax at an  
9 election called for that purpose and conducted in accordance with the general  
10 election laws. Any such election shall be called by ordinance of the quorum  
11 court of the levying county.

12           (b) The ballot title for the election shall include the expiration  
13 date for the tax, and any tax levied pursuant to this act shall cease upon the  
14 expiration date.

15           (c) The ballot title for the election shall identify the Project, and  
16 the ballot shall specify whether the levy of the tax is contingent upon the  
17 levy of sales and use tax pursuant to this act by any other county or  
18 counties.

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20           SECTION 6. (a) Upon certification of the election results, the county  
21 judge shall issue a proclamation declaring the results of the election and  
22 cause the proclamation to be published one (1) time in a newspaper having  
23 general circulation within the county.

24           (b) Any person desiring to challenge the results of the election as  
25 published in the proclamation shall file such challenge in the circuit court  
26 of the county within thirty (30) days after the date of publication of the  
27 proclamation.

28           (c) If no election challenge is timely filed, there shall be levied,  
29 effective on the first day of the first calendar month subsequent to the  
30 expiration of the thirty (30) day challenge period, a one percent (1%) tax on  
31 the gross receipts from the sale at retail within the county on all items  
32 which are subject to the Arkansas Gross Receipts Act, Arkansas Code of 1987  
33 Annotated, Title 26, Chapter 52 and an excise tax on the storage, use, or  
34 consumption within the county of tangible personal property purchased, leased  
35 or rented from any retailer outside the state storage, use, or other

1 consumption in the county, at a rate of one percent (1%) of the sale price of  
2 the property or, in the case of leases or rentals, of the lease or rental  
3 price, the rate of the use tax to correspond to the rate of the sales tax  
4 portion of the tax. The use tax portion of the local sales and use tax shall  
5 be collected according to the terms of the Arkansas Compensating Tax Act,  
6 Arkansas Code of 1987 Annotated, Title 26, Chapter 53.

7 (d) In the event of an election challenge, the effective date of the  
8 tax levy shall be the first day of the first calendar month subsequent to the  
9 final judicial determination of the challenge. Hearings involving such  
10 litigation shall be advanced on the docket of the courts and disposed of at  
11 the earliest feasible time.

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13 SECTION 7. The collection of any tax levied pursuant to this act shall  
14 be distributed as follows:

15 (a) To the county, for the acquisition, construction and equipping of  
16 the Project - fifty percent (50%) of the tax collections.

17 (b) To the county and to each municipality located in the county,  
18 proportionately on the basis of population as reflected in the latest federal  
19 census - fifty percent (50%) of the tax collections.

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21 SECTION 8. (a) Any tax levied pursuant to this act shall be levied  
22 and collected only to a maximum tax of twenty five dollars (\$25.00) on each  
23 single transaction, and vendors shall be responsible for collecting and  
24 remitting the tax only to the maximum of twenty five dollars (\$25.00) for each  
25 single transaction. Vendors collecting, reporting, and remitting the county  
26 sales or use taxes shall show county taxes as a separate entry on the tax  
27 report form.

28 (b) The term "single transaction", as used in this section, shall be  
29 defined by ordinance of the county levying the tax. In the case of any  
30 taxpayer not subject to the levy of a use tax on tangible personal property  
31 brought into the State of Arkansas for storage until such property is  
32 subsequently initially used in the State of Arkansas, a county use tax shall  
33 be computed on each purchase of such property by the taxpayer as if all such  
34 property were subject upon purchase to the county use tax up to a maximum of  
35 twenty five dollars (\$25.00) per single transaction. The taxes so computed

1 shall be aggregated on a monthly basis, and the aggregate monthly amount shall  
2 be divided by the sum of the total purchases of such property on which the  
3 taxes are computed, and the quotient shall be multiplied by the amount of the  
4 taxpayer's property subsequently initially used and subject to levy of a use  
5 tax within the county during the month for which the monthly aggregate tax  
6 figure was computed, and the product shall be the amount of county use tax  
7 liability for the taxpayer for the month computed.

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9 SECTION 9. This act is intended to supplement existing laws and to  
10 authorize the levy of the tax authorized hereby without resort to or reliance  
11 upon any other law. Any county which is authorized to levy a tax under this  
12 act may levy such tax without regard to whether such county (or any  
13 municipality located therein) has in effect a sales and use tax or taxes.

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15 SECTION 10. (a) The Director of the Department of Finance and  
16 Administration shall maintain a record of the amount of tax collected pursuant  
17 to this act in each county and shall deposit all such revenues with the State  
18 Treasurer.

19 (b) Upon receipt of the funds, the State Treasurer shall deduct three  
20 percent (3%) thereof as a charge by the State for its services as specified in  
21 this act and shall credit the three percent (3%) to the Constitutional and  
22 Fiscal Agencies Fund. In addition, the State Treasurer is authorized to  
23 retain in the Local Sales and Use Tax Trust Fund an amount not to exceed five  
24 percent (5%) of the total amount received from the tax levied by each county,  
25 to be used by the State Treasurer to:

26 (1) Make remittances to the county for rebates made by the  
27 county for taxes, if any, in excess of amounts specified by the particular  
28 county ordinances paid by a taxpayer on a single transaction;

29 (2) Make refunds for overpayment of the taxes; and

30 (3) Redeem dishonored checks and drafts received and deposited  
31 in the Local Sales and Use Tax Trust Fund.

32 (c) (1) All funds received by the State Treasurer from the sales tax  
33 levied by each county after deducting the three percent (3%) for the  
34 Constitutional and Fiscal Agencies Fund shall be deposited in the Local Sales  
35 and Use Tax Trust Fund and shall be credited to the account of the county in

1 which collected.

2 (2) The State Treasurer shall transmit monthly to the county  
3 treasurer and to the municipal treasurer of each municipality located in a  
4 county levying the tax authorized in this act their per capita share of the  
5 moneys received by the State Treasurer from the tax levied by such county and  
6 credited to the account of the county in the Local Sales and Use Tax Trust  
7 Fund. The county treasurer of any county which has levied a sales and use tax  
8 pursuant to this act and which rebates taxes paid on a single transaction in  
9 excess of a specified amount shall monthly certify to the State Treasurer the  
10 total amount of rebates paid since the preceding certification and the State  
11 Treasurer shall remit that amount to the county treasurer from the Local Sales  
12 and Use Tax Trust Fund.

13 (d) Funds received by the counties and municipalities pursuant to the  
14 provisions of this act, other than those required to be applied to a Project  
15 (as set forth in Section 7) may be used by the counties and municipalities for  
16 any purpose for which the county general funds or the municipal general funds  
17 may be used.

18 (e) The State Treasurer is authorized to make refunds for overpayment  
19 of the tax and to redeem dishonored checks and drafts issued in payment of the  
20 tax from the Local Sales and Use Tax Trust Fund.

21 (f) When any tax adopted by a county pursuant to this act is  
22 terminated, the Director shall retain in the account of that county in the  
23 Local Sales and Use Tax Trust Fund for a period of one (1) year an amount  
24 equal to five percent (5%) of the final remittance to the county and  
25 municipalities therein at the time of termination of the collection of the tax  
26 to:

- 27 (1) Cover possible rebates by the county;
  - 28 (2) Cover refunds for overpayment of taxes;
  - 29 (3) Redeem dishonored checks and drafts deposited to the credit
- 30 of the Local Sales and Use Tax Fund. After one (1) year has elapsed after the  
31 effective date of the abolition of the tax in any county, the Director shall  
32 transfer the balance in that county's account to the county and municipalities  
33 in the county and shall close the account.

34 (g) The Director may promulgate reasonable rules and regulations not  
35 inconsistent with the provisions of this act to implement the administration,

1 collection, enforcement, and operation of the taxes authorized in this act.

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3 SECTION 11. All provisions of this act of a general and permanent  
4 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas  
5 Code Revision Commission shall incorporate the same in the Code.

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7 SECTION 12. If any provision of this act or the application thereof to  
8 any person or circumstance is held invalid, such invalidity shall not affect  
9 other provisions or applications of the act which can be given effect without  
10 the invalid provision or application, and to this end the provisions of this  
11 act are declared to be severable.

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13 SECTION 13. All laws or parts of laws in conflict with this act are  
14 hereby repealed.

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16 SECTION 14. It has been found and it is hereby declared that certain  
17 Projects (as defined herein) presently await funding by the authority set  
18 forth in this act. Therefore, an emergency is declared, and this act, being  
19 necessary for the preservation of the public peace, health, and safety, shall  
20 be in force upon its passage and approval.

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25 APPROVED: 3-25-91

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