

1 **State of Arkansas**

2 **79th General Assembly**

3 **Regular Session, 1993**

4 **By: Representatives Beatty and Purdom**

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## **For An Act To Be Entitled**

8 "AN ACT TO AUTHORIZE CITIES AND COUNTIES TO LEVY TAXES FOR  
9 THE PURPOSE OF FUNDING ECONOMIC DEVELOPMENT PROJECTS; AND  
10 FOR OTHER PURPOSES."

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### **Subtitle**

13 "TO AUTHORIZE CITIES AND COUNTIES TO LEVY A LOCAL TAX TO  
14 FUND ECONOMIC DEVELOPMENT PROJECTS."

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

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20 SECTION 1. Purpose. The purpose of this Act is to provide cities and  
21 counties with the authority to levy taxes to raise revenue for funding  
22 economic development projects to stimulate the local economy and to support  
23 private sector job creation opportunities. No funds generated by any tax  
24 levied pursuant to this Act shall be used as general operating revenue *but*  
25 *shall be expended for the purpose prescribed by Sections 5, 6, and 7.*

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27 SECTION 2. Definitions. As used in this subchapter, unless the context  
28 otherwise requires:

29 (1) "County" means each of the counties of this state;

30 (2) "Municipality" and "city" mean any city or incorporated town in  
31 this state;

32 (3) "Director" means the Director of the Department of Finance and  
33 Administration, the Commissioner of Revenues, or any of his authorized agents;

34 (4) "Local government" means city or county.

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1 SECTION 3. Levy of new taxes permitted.

2 (a) In addition to all other authority of local governments to levy  
3 taxes provided by law, any county, acting through its quorum court, or any  
4 municipality, acting through its governing body, may levy any tax. However,  
5 no ordinance levying any tax authorized by this Act shall be valid until  
6 adopted at a special or general election by qualified electors of the city or  
7 in the county where the tax is to be imposed, as the case may be. An election  
8 will also be required to increase, decrease or repeal a tax levied pursuant to  
9 this Act.

10 (b) Nothing in this Act shall be construed to diminish the existing  
11 powers of county governments or city governments.

12 (c) Nothing in this Act shall terminate, repeal, or otherwise affect  
13 any other tax levied by a local government.

14 (d) *The local government levying the tax shall collect and administer*  
15 *the tax.*

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17 SECTION 4. *Levy of Sales and Use Taxes Currently Authorized. The local*  
18 *government may levy a sales or use tax pursuant to any other currently*  
19 *existing statutory authority to levy the tax and provide that the proceeds*  
20 *generated by the tax are to be used for any purpose authorized by this Act.*  
21 *The Department of Finance and Administration will administer and collect any*  
22 *sales or use tax levied under this section if the Department of Finance and*  
23 *Administration would have administered and collected the tax had the tax been*  
24 *levied solely pursuant to the primary statutory authority to levy the tax.*  
25 *The primary statutory authority to levy the tax is the statute upon which the*  
26 *local government relied for levying the tax, not this Act.*

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28 SECTION 5. The taxes levied pursuant to this Act may be utilized for  
29 construction, reconstruction, demolition, site development, contracts and  
30 related costs associated with the creation, expansion, and rehabilitation of  
31 water or sewer systems, streets and roads, bridges, drainage and other vital  
32 public facilities, or the establishment and operation of local economic  
33 development programs.

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35 SECTION 6. To secure, develop, preserve, and maintain the local

1 economy, local governments are authorized to own, acquire, construct,  
2 reconstruct, extend, equip, improve, operate, maintain, sell, lease, contract  
3 concerning, or otherwise deal in or dispose of any facility. For the purposes  
4 of this section "facility" means: land, interests in land, buildings,  
5 furnishings, machinery, equipment, or related improvements necessary or useful  
6 for the securing, developing, preserving, or maintaining of economic activity  
7 within or near the municipality or county.

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9       SECTION 7. *To secure professional economic and industrial development*  
10 *management expertise, local governments are authorized to contract for such*  
11 *services with a community based not-for-profit economic development*  
12 *corporation. For the purposes of this section, "management" means economic*  
13 *and/or industrial development planning, marketing, advertising, public*  
14 *relations, supervision and operation of industrial parks or other such*  
15 *properties, negotiation of contracts for the sale or lease of such properties,*  
16 *and such other operating expenses as the governing body may deem necessary,*  
17 *convenient, or appropriate. A "community based not-for-profit economic*  
18 *development corporation" means an organization formed for the same or similar*  
19 *purposes as those contained in the act, which may be a chamber of commerce,*  
20 *industrial development corporation, or similar corporation.*

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22       SECTION 8. *Any two or more local governments within a single county, or*  
23 *any two or more adjacent counties may enter into agreements to jointly perform*  
24 *any power granted under this act.*

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26       SECTION 9. *All provisions of this act of a general and permanent nature*  
27 *are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code*  
28 *Revision Commission shall incorporate the same in the Code.*

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30       SECTION 10. *If any provision of this act or the application thereof to*  
31 *any person or circumstance is held invalid, such invalidity shall not affect*  
32 *other provisions or applications of the act which can be given effect without*  
33 *the invalid provision or application, and to this end the provisions of this*  
34 *act are declared to be severable.*

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1 SECTION 11. All laws and parts of laws in conflict with this act are  
2 hereby repealed.

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4 SECTION 12. EMERGENCY. It is hereby found and determined by the  
5 General Assembly that unemployment and economic underdevelopment has reached  
6 intolerable levels in certain portions of this state and the state as a whole  
7 has been unable to compete with other state's incentive programs for economic  
8 development; and that the incentives afforded by this Act are critical to the  
9 development and expansion of job opportunities in the state. Therefore, an  
10 emergency is hereby declared to exist, and this act being immediately  
11 necessary for the preservation of the public peace, health, and safety shall  
12 be in full force and effect from and after its passage and approval.

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*/s/David Beatty, et al*

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***As Engrossed: 3/4/93 4/8/93***

**HB 1749**

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