

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**

A Bill

HOUSE BILL 1788

4 **By: Representative Hunton, Stewart, McJunkin, Hinshaw, and Fairchild**

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 14-164-338 TO ALLOW THE
9 REVENUES FROM THE TAX LEVIED THEREUNDER TO BE USED TO
10 RETIRE EXISTING BOND ISSUES; AND FOR OTHER PURPOSES."

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Subtitle

13 "TO AMEND ARKANSAS CODE 14-164-338 TO ALLOW REVENUES FROM
14 THE TAX LEVIED THEREUNDER TO BE USED TO RETIRE EXISTING
15 BOND ISSUES."

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

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19 SECTION 1. Arkansas Code 14-164-338 is amended to read as follows:

20 "14-164-338. Alternative to issuance of bonds.

21 (a) If a legislative body determines that a sales and use tax of one
22 percent (1%) or less authorized by § 14-164-327 would, if levied for no longer
23 than twenty-four (24) months, produce sufficient revenue to finance capital
24 improvements of a public nature without resorting to a bond issue, the
25 legislative body may dispense with the issuance of bonds, levy the tax for no
26 longer than twenty-four (24) months, and appropriate the resulting revenues,
27 subject to the Arkansas Constitution, Article 12, Section 4, paragraphs 2-4,
28 provided:

29 (1) A majority of the qualified electors of the county or municipality
30 voting on the question at a general or special election shall have approved
31 the tax and the purpose of the capital improvements; and

32 (2) The revenues from the tax are expended solely for the purpose
33 authorized by the electorate.

34 (b) The portion of the tax authorized by § 14-164-327 which is not
35 utilized under this section may be used as otherwise provided in this

1 subchapter.

2 (c) The provisions of this section shall not preclude or affect the
3 ability of a municipality or county to levy a sales and use tax beyond the
4 twenty-four month period, unless so restricted on the ballot, or for less than
5 the twenty-four month period, if stated on the ballot, under §§ 26-74-201 -
6 26-74-223, 26-74-301 - 26-74-319, 26-75-201 - 26-75-223, and 26-75-301 -
7 26-75-318 and use all or a portion of the proceeds thereof to finance capital
8 improvements of a public nature, with or without issuing bonds and with or
9 without an election approving the use of the tax collections for capital
10 improvements.

11 (d) The purpose of this subsection is to clarify that this section does
12 not now, as amended, nor did it previously, limit the authority of
13 municipalities and counties to levy taxes for twenty-four (24) months only
14 under §§ 26-74-201 - 26-74-223, 26-74-301 - 26-74-319, 26-75-201 - 26-75-223,
15 and 26-75-301 - 26-75-318 and use the proceeds thereof to finance capital
16 improvements and the General Assembly hereby finds and determines that §§
17 26-74-201 - 26-74-223, 26-74-301 - 26-74-319, 26-75-201 - 26-75-223, and
18 26-75-301 - 26-75-318 each provide for the levy of up to a one percent (1%)
19 sales and use tax and the use thereof for any purpose for which the general
20 funds of the municipality or county may be used unless restricted on the
21 ballot to a specified purpose.

22 (e) The revenues derived from this tax may also be used to retire
23 existing bonds issued for the acquisition, renovation, or construction of
24 capital improvements."
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26 SECTION 2. 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 3. 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 4. All laws and parts of laws in conflict with this act are
2 hereby repealed.

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4 SECTION 5. EMERGENCY. It is hereby found and determined by the General
5 Assembly that Arkansas Code 14-164-338 does not presently indicate where the
6 revenues derived from the tax levied under that section may be used to retire
7 existing bonded indebtedness for capital improvements; that such use of those
8 tax revenues should be allowed; that this act allows such use; and that this
9 act should go into effect as soon as possible in order to give the cities and
10 counties the maximum flexibility for retiring existing bond issues for capital
11 improvements. Therefore, an emergency is hereby declared to exist, and this
12 act being immediately necessary for the preservation of the public peace,
13 health, and safety shall be in full force and effect from and after its
14 passage and approval.

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/s/Rep. Hunton, et al

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