

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003

A Bill

HOUSE BILL 2335

4
5 By: Representative Ledbetter
6
7

For An Act To Be Entitled

9 AN ACT TO AUTHORIZE LOCAL GOVERNMENTS AND PUBLIC
10 AGENCIES TO CREATE REGIONAL PARKS DISTRICTS
11 THROUGH INTERLOCAL AGREEMENTS; TO PERMIT THE
12 PARKS DISTRICT TO ISSUE BONDS AND LEVY A TAX TO
13 PROVIDE FOR PARKS AND RECREATION PROGRAMS; AND
14 FOR OTHER PURPOSES.

Subtitle

15
16 TO AUTHORIZE LOCAL GOVERNMENTS AND
17 PUBLIC AGENCIES TO CREATE REGIONAL PARKS
18 DISTRICTS THROUGH INTERLOCAL AGREEMENTS.
19
20
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Arkansas Code Title 25, Chapter 20, is amended to add an
25 additional subchapter to read as follows:

26 Subchapter 4. Regional Parks Districts.

27
28 25-20-401. Title.

29 This subchapter may be referred to and cited as the "Regional Parks
30 District Authorization Act."

31
32 25-20-402. Creation.

33 (a)(1) Two (2) or more public agencies may enter into an interlocal
34 agreement under the Interlocal Cooperation Act, § 25-20-101 et seq., for the
35 purpose of consolidating parks and recreation programs within the agency's
36 jurisdiction.



1 (2) The public agencies consolidating the parks are authorized
2 to create a public body corporate and politic as a separate legal entity for
3 the purpose of constructing, owning, managing, operating, financing,
4 improving, extending, acquiring, reconstructing, equipping, selling, leasing,
5 purchasing, contract, concerning, dealing in, disposing of, and maintaining
6 the parks and recreation programs.

7 (b)(1) The governing body of each public agency agreeing to create a
8 public body under this subchapter shall, by ordinance or resolution, or
9 otherwise by law, approve the filing of an application with the Secretary of
10 State to create a public body under this subchapter, and approve an
11 interlocal agreement specifying the matters under § 25-20-104.

12 (2) In addition, the interlocal agreement shall specify:

13 (A) Limitations on the exercise of the public body’s
14 powers, including the matters, if any, that the participating public agencies
15 reserve rights to approve, disapprove, or otherwise participate in any
16 exercise of the public body’s powers;

17 (B) The number of commissioners of the public body, the
18 terms of office of the commissioners, the manner of appointing or electing
19 the commissioners, the residency requirements, if any, applicable to
20 commissioners in addition to those under this subchapter, and the voting
21 rights of each commissioner, which voting rights may vary by commissioner;
22 and

23 (C) Other matters, not inconsistent with this subchapter,
24 with respect to the creation and operation of the public body as the
25 participating public agencies may decide is necessary or appropriate.

26 (c)(1) An application to create a public body under this subchapter
27 shall be prepared to include:

28 (A) A request that a public body corporate and politic be
29 created under this subchapter;

30 (B) The proposed name for the public body;

31 (C) The names of the participating public agencies;

32 (D) The number of commissioners of the public body;

33 (E) The manner in which commissioners of the public body
34 will be appointed or elected and the residency requirements, if any,
35 applicable to commissioners in addition to those under this subchapter;

36 (F) The voting rights of each commissioner;

1 (G) Special procedures for amending the certificate of
2 incorporation, if any; and

3 (H) Other matters, not inconsistent with this subchapter,
4 with respect to the creation and operation of the public body as the
5 participating public agencies may decide is necessary or appropriate.

6 (2) The application shall be signed on behalf of each
7 participating public agency by an authorized official of the public agency.

8 (d)(1) The Secretary of State shall examine the application and
9 determine if the name proposed for the public body is identical with that of
10 any other corporation, agency, or instrumentality of this state, so nearly
11 similar as to lead to confusion and uncertainty, or if the name is otherwise
12 deceptively misleading.

13 (2) If the Secretary of State determines the application is
14 sufficient, the secretary shall:

15 (A) Receive and file the application;

16 (B) Record it in an appropriate book of record in the
17 Secretary of State’s office;

18 (C) Make and issue a certificate of incorporation under
19 the seal of the state setting forth the name of the public body and the names
20 of the participating public agencies; and

21 (D) Record the certificate in an appropriate book of
22 record in the Secretary of State’s office.

23 (3)(A) A copy of the certificate of incorporation, certified by
24 the Secretary of State, is admissible in evidence in any suit, action, or
25 proceeding involving the validity or enforcement of, or relating to, any
26 contract of the public body.

27 (B) A certified copy of the certificate is conclusive
28 proof of the filing and contents of the certificate and of the effective
29 creation of the public body under this subchapter, unless fraud is shown.

30 (e)(1) A certificate of incorporation may be amended in the manner
31 provided under the existing certificate of incorporation.

32 (2) If the certificate of incorporation does not specify a
33 procedure for amendment, the certificate may be amended with the consent of a
34 majority of the commissioners of the public body who may vote.

35 (3)(A) The amendment shall be signed by an officer or other
36 authorized person of the public body, who shall certify that the certificate

1 of incorporation has been amended in accordance with the procedures of this
2 subchapter and, if applicable, in the manner prescribed in the existing
3 certificate of incorporation.

4 (B) Upon filing of the amendment with the Secretary of
5 State under this section, the secretary shall issue an amendment to the
6 certificate of incorporation.

7
8 25-20-403. Transfers of public agency properties.

9 (a) Participating public agencies are authorized to transfer any real
10 and personal property to a public body under this subchapter that the
11 participating public agencies determine is necessary or appropriate for the
12 ownership and operation of a consolidated parks and recreation program by the
13 public body.

14 (b)(1) Transfers of properties under this section shall be upon the
15 terms and conditions and for the consideration as the participating public
16 agencies may determine.

17 (2) The participating public agencies may decide to contribute
18 property with or without monetary consideration.

19 (c) Participating public agencies shall have power to execute all
20 contracts, leases, deeds, bills of sale, easements, assignments, and other
21 instruments of conveyance as may be required or convenient to exercise the
22 powers granted in this section.

23
24 25-20-404. Board of commissioners.

25 (a)(1) Each public body created under this subchapter shall have a
26 board of commissioners consisting of at least three (3) commissioners, with
27 each commissioner residing within the jurisdiction of one (1) of the
28 participating public agencies and otherwise meeting any residency
29 requirements stated in the public body's certificate of incorporation.

30 (2) Each commissioner shall be appointed or elected in the
31 manner stated in the public body's certificate of incorporation and shall
32 serve a term of office as specified in the interlocal agreement.

33 (b) The commissioners shall receive no compensation for their
34 services, but they are entitled to reimbursement of expenses incurred in the
35 performance of their duties.

36 (c) Before entering upon their duties, the commissioners shall take

1 and file with the Secretary of State, an oath of office swearing to discharge
2 faithfully their duties in the manner provided by law.

3 (d)(1)(A) The board of commissioners shall meet and organize by
4 electing one (1) commissioner as the chair, one (1) as the vice-chair, one
5 (1) as secretary, and one (1) as treasurer.

6 (B) These officers shall be elected annually in like
7 manner.

8 (2) The duties of secretary and treasurer may be performed by
9 the same commissioner.

10 (3) The secretary may:

11 (A) Make copies of all minutes and other records and
12 documents of the public body;

13 (B) Give certificates under the official seal of the
14 public body to the effect that the copies are true copies, and all persons
15 dealing with the public body may rely upon the certificates.

16
17 25-20-405. Powers and duties of board of commissioners.

18 (a) The powers of a public body created under this subchapter shall be
19 exercised by or under the authority of the board of commissioners, subject to
20 any limitation stated in the public body's certificate of incorporation or
21 interlocal agreement.

22 (b) The business and affairs of the public body shall be managed under
23 the direction of the board of commissioners.

24 (c) The duties of the board of commissioners shall include, but not be
25 limited to:

26 (1) Appointing a chief executive officer, who shall not be a
27 member of the board of commissioners;

28 (2) Setting the compensation and other terms of employment for
29 the chief executive officer;

30 (3) Approving all budgets of the public body;

31 (4) Adopting the rules, regulations, and by-laws as the board of
32 commissioners may decide are necessary for the ownership and operation of the
33 system of regional parks and recreation program; and

34 (5) Performing other duties as stated in the interlocal
35 agreement.

36

25-20-406. General powers of the public body.

(a) Except if the certificate of incorporation or interlocal agreement provides otherwise, a public body created under this subchapter shall have the power to:

(1) Have perpetual succession as a body politic and corporate;

(2) Maintain offices;

(3) Execute and perform contracts;

(4) Sue and be sued;

(5) Apply for, and receive permits, licenses, certificates, and approvals as may be necessary, and own and operate facilities;

(6) Employ the services of all personnel necessary to its operations, and in connection with the employment, adopt and implement healthcare, disability, bonus, retirement, and other employee benefit plans as the board of commissioners shall decide;

(7) Employ the services of professionals;

(8) Purchase insurance, maintain reserves for self-insurance, and become self-insured for the payment of compensation under the workers' compensation law by compliance with the requirements of § 11-9-404(a)(2), except deposit of an indemnity bond, letter of credit, or securities is not required;

(9) Purchase, receive, own, hold, improve, use, lease, sell, convey, exchange, transfer, assign, mortgage, pledge, and otherwise acquire, dispose of, and deal with real and personal property or a legal or equitable interest in property in its own name;

(10) Apply for, receive, and use loans, grants, taxes, donations, and contributions from a public agency or other source, including any proceeds from the sale of bonds;

(11) Borrow money on a secured or unsecured basis, and in connection with, issue bonds, promissory notes, or other evidence of indebtedness, and make and deliver indentures, mortgages, pledges, security agreements, financing statements, and other instruments encumbering assets of the public body;

(12) Exercise other powers, privileges, and authorities as the participating public agencies delegate to the public body by the interlocal agreement, subject to any restrictions imposed by the interlocal agreement or by applicable law; and

1 (13) Have further powers relating to the ownership and operation
 2 of parks and recreation programs, as are now by law given to the governing
 3 body of any participating public agency, and do any other acts and things
 4 necessary, convenient, or desirable to carry out the purposes of, and to
 5 exercise the powers granted to the public body by this subchapter.

6 (b) A public body shall constitute a separate legal entity, but, may
 7 be subject to the further supervision or regulation, or require the further
 8 approval or consent, of any participating public agency to the extent
 9 provided by state law, or as stated in the certificate of incorporation of
 10 the public body or by the interlocal agreement of the participating public
 11 agencies.

12
 13 25-20-407. Operation of a regional parks district.

14 (a) "Regional parks district" means:

15 (1) Park land and improvements, including, but not limited to,
 16 buildings, paths, and recreational facilities; and

17 (2) Other real and personal property, buildings, structures, or
 18 other improvements or facilities that are necessary for the proper and
 19 efficient operation of the public body's facilities.

20 (b)(1) Unless the interlocal agreement provides otherwise, a public
 21 body created under this subchapter shall have full authority to:

22 (A) Construct, own, manage, operate, finance, improve,
 23 extend, acquire, reconstruct, equip, sell, lease, contract concerning, deal
 24 in, dispose of, and maintain a regional parks district; and

25 (B) Fix, charge, and collect fees for the usage of the
 26 facilities within the regional parks district and for other goods and
 27 services provided by the public body

28 (2) The assets of the public body may be located inside and
 29 outside the jurisdictions of the public body's participating public agencies.

30
 31 25-20-408. Out-of-area regional parks districts.

32 A public body created under this subchapter may acquire and operate
 33 parks and recreational facilities located outside the jurisdictions of the
 34 participating public agencies that created the public body.

35
 36 25-20-409. Eminent domain.

1 (a) A public body created under this subchapter may exercise the power
2 of eminent domain to acquire any real property that is necessary for its
3 purposes.

4 (b) The public body shall use the procedures under §§ 18-15-201 and
5 18-15-202 to exercise the power of eminent domain, or in the manner provided
6 by any other statutory provisions under which one of the public body's
7 participating public agencies.

8 (c) If exercising the power of eminent domain, the employees and
9 agents of the public body shall have the right to enter upon any lands,
10 structures, or rights-of-way to make surveys, tests, and measurements and is
11 liable for any damage that may result.

12
13 25-20-410. Improvements – Financing with bonds.

14 (a) A public body created under this subchapter may issue revenue
15 bonds under this section to pay for parks and recreation facilities it owns
16 and operates and to construct improvements, betterments, and extensions to
17 its parks and facilities.

18 (b)(1) Bonds may be issued if authorized by resolution of the board of
19 commissioners.

20 (2) The bonds may be issued as registered bonds and may be
21 exchangeable for bonds of another denomination or in another form.

22 (3) As the board of commissioners determines, the bonds may be
23 issued:

24 (A) In any form or denominations;

25 (B) On a date or dates;

26 (C) With a stated maturity time or times;

27 (D) To bear interest payable at any time and at any rate;

28 (E) To be payable at the places within or without the
29 state;

30 (F) To be subject to the terms of redemption in advance of
31 maturity at any price; and

32 (G) To contain any other terms and conditions.

33 (4) The bonds shall have all the qualities of and are to be
34 negotiable instruments under the laws of the State of Arkansas, subject to
35 provisions as to registration as stated in this subdivision (b) of this
36 section.

1 (c) The authorizing resolution may also contain other terms,
2 covenants, and conditions that the board of commissioners deems reasonable
3 and desirable, including:

4 (1) The maintenance of various funds and reserves;

5 (2) The nature and extent of any security for payment of the
6 bonds;

7 (3) The custody and application of the proceeds of the bonds;

8 (4) The collection and disposition of revenues;

9 (5) The investing for authorized purposes; and

10 (6) The rights, duties, and obligations of the public body and
11 the holders and registered owners of the bonds.

12 (d)(1) An authorizing resolution and trust indenture relating to the
13 issuance and security of the bonds shall constitute a contract between the
14 public body, holders, and registered owners of the bonds.

15 (2) The contract, all its covenants, agreements, and
16 obligations, shall be performed in strict compliance and may be enforced by
17 mandamus or other appropriate proceeding.

18 (e)(1) The resolution shall pledge the revenues, or a portion of the
19 revenues, derived from the regional parks district, or any specified portion
20 of the regional parks district, for the purpose of paying the bonds and
21 interest.

22 (2) The fees to be charged for the services of the regional
23 parks district, or the specified portion of the regional parks district with
24 revenues pledged to the payment of the bonds, shall be sufficient to provide:

25 (A) For the payment of all principal of, and interest on
26 all bonds when due;

27 (B) For the operation and maintenance of the regional
28 parks district, or the specified portion of the regional parks district with
29 revenues pledged to the payment of the bonds; and

30 (C) An adequate depreciation account for the regional
31 parks district, or the specified portion of the regional parks district with
32 revenues pledged to the payment of the bonds.

33 (f)(1) The proceeds derived from the sale of the bonds shall be used
34 solely for the purpose of:

35 (A) Making betterments, improvements, and extensions to
36 the regional parks district owned and operated by the public body:

1 (B) Paying interest on the bonds during the period of
 2 construction of the betterments, improvements, and extensions;

3 (C) Establishing any necessary reserves for the bonds;

4 (D) Paying the costs of issuing the bonds; and

5 (E) Paying any other costs and expenditures of whatever
 6 nature incidental to the accomplishment of the betterments, improvements, and
 7 extensions.

8 (2) As used in subdivision (f)(1) of this section, “betterments,
 9 improvements, and extensions” means the land and other real and personal
 10 property, buildings, structures, or other improvements or facilities that are
 11 necessary or advisable for the operation of the public body’s regional parks
 12 district.

13 (g)(1) Bonds issued under this section are payable solely from
 14 revenues derived from the regional parks district or any specified portion of
 15 the regional parks district.

16 (2) The bonds are not an indebtedness of, nor pledge the faith
 17 and credit of, the State of Arkansas or the participating public agencies.

18 (3) The bonds shall have plainly stated on the face that it is
 19 issued under this subchapter and that the bond is not an indebtedness of the
 20 State of Arkansas or the participating public agencies, and is not backed by
 21 the full faith and credit of the State of Arkansas or the participating
 22 public agencies.

23 (4) The bonds and the interest are exempt from all state,
 24 county, and municipal taxation, including income taxes and inheritance taxes.

25 (h)(1) The bonds may be sold at either a public or private sale, and
 26 upon the terms as the board of commissioners shall determine to be reasonable
 27 and expedient.

28 (2) The bonds may be sold at a price the board of commissioners
 29 may accept, including sale at discount.

30 (i)(1) The bonds shall be executed by manual or facsimile signature of
 31 the chair of the board of commissioners, and the manual or facsimile
 32 signature of the secretary of the board of commissioners, or any other
 33 officer of the public body authorized to do so by resolution of the board of
 34 commissioners.

35 (2) If any of the officers whose signatures appear on the bonds,
 36 shall cease to be officers before delivery of the bonds, their signatures

1 shall be valid and sufficient for all purposes.

2 (3) Each bond shall be impressed or imprinted with the seal of
3 the public body.

4
5 25-20-411. Lien in favor of bondholders.

6 (a) The payment of the principal and interest of bonds issued under
7 this subchapter is secured by a lien on and security interest in the regional
8 parks district or any specified portion of the consolidated parks and
9 recreation system.

10 (b) The trustee in connection with the bond issue or the holders of
11 the bonds need not take possession of the collateral security in order to
12 perfect the lien and the pledge for that purpose.

13 (c) Except for any restrictions that may be contained in the
14 resolution or indenture governing the bonds, a holder of bonds issued under
15 this subchapter may enforce the mortgage lien and may compel the performance
16 of the duties of the officers of the issuing public body under this
17 subchapter.

18 (d)(1) If there is a default in the payment of the principal of or
19 interest on any of the bonds, any court having jurisdiction in any proper
20 action may appoint a receiver to administer the regional parks district, or
21 the specified portion of the regional parks district pledged to the payment
22 of the bonds.

23 (2) The receiver shall have the power to charge and collect fees
24 sufficient to provide for the payment of:

- 25 (A) The bonds and interest;
- 26 (B) The operating expenses;
- 27 (C) To apply the income and revenues in conformity with
28 this subchapter and the resolution or indenture providing for the issuance of
29 the bonds.

30
31 25-20-412. Refunding bonds.

32 (a)(1) Bonds may be issued for the purpose of refunding any
33 obligations issued under this subchapter.

34 (2) The refunding of bonds may be combined with bonds issued
35 under § 25-20-410 into a single issue.

36 (b)(1) When bonds are issued for refunding purposes, the bonds may

1 either be sold or delivered in exchange for the outstanding obligations.

2 (2) If sold, the proceeds may be either applied to the payment
3 of the obligations refunded, or deposited in escrow for the retirement
4 thereof, either at maturity or upon any authorized redemption date.

5 (c)(1) All refunding bonds issued shall be authorized, issued, and
6 secured in the manner provided for other bonds issued under this subchapter
7 and shall have all the attributes of the bonds.

8 (2) The resolution or indenture under which the refunding bonds
9 are issued may provide that any of the refunding bonds shall have the same
10 priority of lien on the revenues pledged for their payment as was enjoyed by
11 the refunded obligations.

12
13 25-20-413. Securing deposit of public funds.

14 Bonds issued under this subchapter are eligible to secure the deposit
15 of public funds.

16
17 25-20-414. No personal liability.

18 No commissioner or officer of the public body is liable personally for
19 any reason arising from the issuance of bonds under this subchapter unless
20 the commissioner or officer acted with a corrupt intent.

21
22 25-20-415. Zoning exemption.

23 Any public body maintaining facilities in an area zoned after the
24 construction of the facilities may add to, alter, expand, or change the
25 facilities upon that land, or upon lands immediately adjacent thereto,
26 without regard to the zoning regulation for the area if the board of
27 commissioners finds the action is necessary for the operation of the regional
28 parks district.

29
30 25-20-416. Tax-exempt status of property owned and income.

31 (a) A public body created under this subchapter shall perform
32 functions and is a public department of the participating public agencies.

33 (b) All properties owned by the public body are public property and
34 the income is exempt from all taxation in the state.

35
36 25-20-417. Immunity.

1 The immunity granted to the participating public agencies shall extend
2 to a public body created under this subchapter and to each commissioner,
3 officer, and employee.

4
5 25-20-418. Annual report and audit.

6 (a) During the first ninety (90) days of each calendar year, a public
7 body created under this subchapter shall make a written report to the
8 governing bodies of the participating public agencies concerning the public
9 body's activities for the preceding calendar year.

10 (b) The report shall be a complete operating and financial statement
11 covering its operation during the year, including an audit of the public
12 body's revenues and expenses performed by an independent certified public
13 accountant.

14
15 25-20-419. Pledge of revenues.

16 (a) A regional parks district levying the tax permitted in this
17 subchapter may pledge all or any part of the revenues from the tax to the
18 payment of:

19 (1) Lease rentals;

20 (2) Principal of and interest on bonds issued by the regional
21 parks district under the authority of this or any other law, for the purpose
22 of providing all or part of the funds for:

23 (A) The construction, reconstruction, extension,
24 equipment, acquisition, improvement, or any capital improvements of a public
25 nature; or

26 (B) Bonds issued to refund the bonds.

27 (b) The bonds, including the refunding bonds, are authorized by this
28 subchapter for purposes of §§ 25-20-420 through 25-20-428.

29
30 25-20-420. Levying of tax.

31 (a) The board of commissioners of a regional parks district may adopt
32 a resolution levying a local sales and use tax in the amount of one-eighth of
33 one percent (1/8%), one-fourth of one percent (1/4%), or one-half of one
34 percent (1/2%) for the benefit of the regional parks district in accordance
35 with the provisions of this subchapter.

36 (b)(1) The board of commissioners of a regional parks district, by the

1 levying resolution, may provide for an expiration date for the local sales
2 and use tax.

3 (2) If an expiration date is provided, the date shall be the
4 last day of the last month of a calendar quarter.

5 (c) The sales tax portion of any local sales and use tax adopted under
6 this subchapter is levied by the board of commissioners on the receipts from
7 the sale at retail within the boundaries of the participating public agencies
8 of all items that are subject to taxation under the Arkansas Gross Receipts
9 Act of 1941, § 26-52-101, et seq.

10

11 25-20-421. Special election required.

12 (a)(1) On the date of adoption of a resolution levying a local sales
13 and use tax for the benefit of the regional parks district, or not more than
14 thirty (30) days following the adoption of the resolution, the board of
15 commissioners of the regional parks district, shall provide, by resolution,
16 for the calling and holding of a special election on the question of the tax.

17 (2) The special election shall be called for a date not more
18 than one hundred twenty (120) days after the date of action of the board of
19 commissioners in establishing the date of the election.

20 (3) The date for the special election may be the same as the
21 date for the next regular election if the election is to be held within the
22 120-day period.

23 (4) The board of commissioners shall notify the county board of
24 election commissioners that the measure has been referred to a vote of the
25 people and shall submit a copy of the ballot title to the board.

26 (b)(1) The ballot title to be used at the elections shall be
27 substantially in the form:

28 []“FOR the adoption of a . . .percent (. . .%) local sales and use
29 tax within the () Regional Parks District.”

30 []“AGAINST adoption of a . . .percent (. . .%) local sales and use
31 tax within the () Regional Parks District.”

32 (2)(A) If an expiration date for the local sales and use tax has
33 been provided for by the board of commissioners in the levying resolution as
34 described under § 25-20-420(b), the ballot title shall also include an
35 expiration date for the levy of the tax.

36 (B) If adopted in this form, the tax shall cease to be

1 levied on the date noted on the ballot.

2 (3) Except as specified in this subchapter, the election shall
 3 be conducted in the manner provided by law for all other municipal elections.

4
 5 25-20-422. Authority supplemental.

6 The authority granted in this subchapter to the regional parks
 7 district, to levy a gross receipt and compensating tax is supplemental, and
 8 in addition to any other authority of the participating public agencies to
 9 levy gross receipts and compensating taxes.

10
 11 25-20-423. Effective date of resolution.

12 In order to provide time for the preparations for elections under this
 13 subchapter and to provide for the accomplishment of the administrative duties
 14 of the Director of the Department of Finance and Administration, the
 15 following effective dates are applicable to any resolution levying the tax:

16 (1)(A) The resolution levying the tax shall not be effective until
 17 after the election has been held.

18 (B) Following the election, the chair of the regional parks
 19 district shall issue a proclamation of the results of the election for the
 20 local sales and use tax, and the proclamation shall be published one (1) time
 21 in a newspaper having general circulation in the area of the regional parks
 22 district.

23 (C) Any person desiring to challenge the results of the election
 24 as published in the proclamation, shall file the challenge in the circuit
 25 court of any county in which the regional parks district is located not more
 26 than thirty (30) days after the date of publication of the proclamation.

27 (D) If no election challenge is filed, the resolution shall
 28 become effective on the first day of the first month of the first calendar
 29 quarter after the expiration of the thirty-day period of challenge; and

30 (2)(A) If election contest is filed, the tax shall be collected as
 31 prescribed in subdivision (1) of this section unless enjoined by a court
 32 order.

33 (B) Hearings of the matters of litigation shall be advanced on
 34 the docket of the courts and disposed at the earliest feasible time.

35
 36 25-20-424. Abolishment of tax.

1 (a)(1) Except under subsection (b) of this section, a regional parks
 2 district may abolish the sales and use tax by a roll call of two-thirds (2/3)
 3 of all members of the board of commissioners of the regional parks district
 4 or after an election called by a petition of the qualified voters in the
 5 public agencies participating in the regional parks district.

6 (2) The initiative procedures of Arkansas Constitution,
 7 Amendment 7 shall govern the petition procedure and the calling and holding
 8 of an election to abolish the tax.

9 (3) The board of commissioners of the regional parks district
 10 may call for an election according to the procedures under this subchapter
 11 for the calling of the initial election on the question.

12 (4) The ballot title for an election shall be the same under
 13 § 20-421(b)(1), except that the word "ABOLITION" shall be substituted for the
 14 word "ADOPTION" as it appears in the ballot title in that subsection.

15 (5) The effective dates of any affirmative vote to abolish the
 16 tax shall correspond to the dates indicated under § 25-20-423 for the initial
 17 effective date of the tax.

18 (b) If a regional parks district has levied a local sales and use tax
 19 under this subchapter and all or any portion pledged to secure the payment of
 20 lease rentals or bonds under this subchapter, that portion of the tax pledged
 21 to lease rentals or bonds shall not be repealed, abolished, or reduced as
 22 long as the lease is in effect or any of the bonds are outstanding.

23
 24 28-20-425. Notification required.

25 (a)(1) Not more than ten (10) days following each of the events stated
 26 in the resolution under the procedure for the adoption or abolition of the
 27 tax and the effective dates of the action, the secretary of the regional
 28 parks district shall notify the Director of the Department of Finance and
 29 Administration of the event.

30 (2) Accompanying the first of any notices, the secretary of the
 31 regional parks district shall send to the director a map of the regional
 32 parks district clearly showing the boundaries of the district.

33 (b)(1) If a regional park district that has imposed a local sales and
 34 use tax changes or alters the district boundaries, the district secretary
 35 shall forward to the director a certified copy of the resolution adding or
 36 detaching territory from the regional parks district.

1 (2) The resolution shall be accompanied by a map clearly showing
 2 the territory added or detached.

3 (3) After receipt of the resolution and map, the tax imposed
 4 shall be effective in the added territory or abolished in the detached
 5 territory on the first day of the first month of the calendar quarter
 6 following the expiration of thirty (30) days from the date that the
 7 annexation or detachment is effective.

8
 9 25-20-426. Collection of tax.

10 (a)(1)(A) In a regional parks district that has imposed a local sales
 11 and use tax, every retailer shall add the tax imposed by the Arkansas Gross
 12 Receipts Act, § 26-52-101, et seq., and the Arkansas Compensating Tax Act, §
 13 26-53-101, et seq., and the tax imposed by this subchapter to the retailer
 14 sale price.

15 (B) The combined tax shall:

16 (i) Constitute a part of the price;

17 (ii) Be a debt of the purchaser to the retailer
 18 until paid; and

19 (iii) Be recoverable at law in the manner as the
 20 purchase price.

21 (C) If a retailer sale price in the regional parks
 22 district shall involve a fraction of a dollar, the two (2) combined taxes
 23 shall be added to the sale price according to a schedule and bracket system
 24 formula established by the Director of the Department of Finance and
 25 Administration.

26 (D) A retailer is entitled to the same discount with
 27 respect to tax remitted under this subchapter as under § 26-52-503 for the
 28 collection and remission of gross receipt taxes to the State of Arkansas.

29 (2)(A) A fraction of one cent (1¢) of tax that is less than one-
 30 half of one cent ($\frac{1}{2}$ of 1¢) shall not be collected.

31 (B) A fraction of one cent (1¢) of tax equal to one-half
 32 of one cent ($\frac{1}{2}$ of 1¢) or more shall be collected as a whole cent (1¢) of tax.

33 (3)(A) If the General Assembly, or the electors of the state,
 34 either increase or decrease the rate of the state gross receipts tax, the
 35 combined rate of the state gross receipt tax and the local sales tax shall be
 36 the sum of the two (2) rates.

1 (B) In this event, the director may publish a schedule of
 2 the taxes due under sales, involving a fraction of one dollar (\$1.00).

3 (b) The tax levied in the subchapter on new and used motor vehicles
 4 shall be collected by the director directly from the purchaser under § 26-52-
 5 510.

6
 7 25-20-427. Resubmission of question of levy or repeal.

8 (a)(1) Except under § 25-20-424(b) and under subsection (b) of this
 9 section, if the question of the levy or repeal of a regional parks district
 10 sales and use tax is submitted to the electors and the proposition is
 11 approved or defeated, the question shall not again be submitted to the
 12 electors by resolution of the board of commissioners of the regional parks
 13 district or by petition of electors for a period of six (6) months from the
 14 date the proposition was last voted upon.

15 (2) Petitions requesting that the issue be submitted to the
 16 electors of the regional parks district, shall contain the signatures of at
 17 least fifteen percent (15%) of the electors of the district.

18 (3)(A) The petitions are to be filed with and verified by the
 19 secretary of the regional parks district.

20 (B) If the petitions are found to be sufficient, the issue
 21 shall be submitted to the electors at a special election or the next general
 22 election as may be requested by the petitions.

23 (4) If the petitions request that the issue be submitted at a
 24 special election, the special election shall be called for a date not less
 25 than thirty (30) days, nor more than sixty (60) days from the date on which
 26 the secretary certifies the sufficiency of the petitions to the board of
 27 commissioners.

28 (b) If a regional parks district has levied a local sales and use tax
 29 under this subchapter and all or any portion pledged to secure the payment of
 30 lease rentals or bonds under this subchapter, that portion of the tax pledged
 31 to lease rentals or bonds shall not be repealed, abolished, or reduced as
 32 long as the lease is in effect or any of the bonds are outstanding.

33
 34 25-20-428. Administration and collection of tax.

35 (a) On the effective date of any tax imposed under this subchapter,
 36 the Director of the Department of Finance and Administration shall perform

1 all functions incidental to the administration, collection, enforcement, and
 2 operation of the tax.

3 (b) In addition to the state gross receipts tax and compensating tax,
 4 the director shall collect an additional tax under the authority of this
 5 subchapter on the receipts from the sale at retail or on the sale price,
 6 lease, or rental price on the storage, use, or other consumption of all
 7 taxable items within the jurisdictions of the public agencies participating
 8 in the regional parks district which property is subject to the Arkansas
 9 Gross Receipts Act, § 26-52-101, et seq., and the Arkansas Compensating Tax
 10 Act, § 26-53-101, et seq.

11 (c) The tax imposed under this subchapter and the tax imposed under
 12 the gross receipts tax and compensating tax, shall be collected together and
 13 reported upon the forms and under the administrative rules and regulations as
 14 may be prescribed by the director, consistent with this subchapter.

15 (d) On the effective date of any proposition to abolish the local
 16 sales and use tax in any regional parks district, the director shall comply
 17 as provided under this subchapter.

18
 19 25-20-429. Applicability of tax.

20 (a)(1) A regional parks district tax levied under this subchapter is
 21 applicable to sales of items and services sold by a business located in a
 22 participating public agency to a resident or nonresident of the participating
 23 public agency.

24 (2) The tax shall not be applicable to:

25 (A) Motor vehicles sold to nonresidents of the
 26 participating public agency;

27 (B) The sale of items or services if sold to a nonresident
 28 of the participating public agency, and if the sale is made for delivery to
 29 an address which is in another public agency that does not impose a regional
 30 parks district sales tax; or

31 (C) The sale of an item that is primarily sold through
 32 meter and by route delivery, if the sale is documented by a sales invoice
 33 indicating that the sale was made for delivery and that the delivery was to
 34 the person at a place located outside a public agency in which a regional
 35 parks district sales tax is levied.

36 (b) When a motor vehicle is sold to a person who resides in Arkansas,

1 but outside the participating public agencies where the sale was made, and
 2 the city or county of residence of the purchaser levies a regional parks
 3 district sales and use tax, a use tax shall be collected at the rate levied
 4 in the regional parks district of residence of the purchaser and in that
 5 event the tax shall be transmitted to the district of residence.

6 (c) If a sale is made to a nonresident of the public agencies
 7 participating in the regional parks district and the sales invoice indicates
 8 that the sale was made for delivery to, and delivery was made to, an address
 9 that is located in an area that does not impose a regional parks district
 10 sales tax, the tax is not applicable to the sale of the following items:

11 (1) Aviation fuel;

12 (2) Distillate special fuel used for agricultural purposes;

13 (3) Agricultural machinery, parts, repairs, and supplies;

14 (4) Water wells or water well supplies;

15 (5) Agricultural feed, seed, and fertilizer; and

16 (6) Agricultural chemicals.

17 (d)(1) When a direct pay permanent holder purchases tangible personal
 18 property either from an Arkansas or out of state vendor for use, storage,
 19 consumption, or distribution in Arkansas, the permanent holder shall accrue
 20 and remit the regional parks district sales and use tax, if any, of the
 21 district where the property is first used, stored, consumed, or distributed.

22 (2) When a direct pay permanent holder purchases taxable
 23 services, the permanent holder shall accrue and remit the sales tax, if any,
 24 of the regional parks district where the services are performed.

25
 26 25-20-430. Disposition of funds.

27 (a)(1) The State Treasurer shall transmit to the treasurer or
 28 financial officer of each regional parks district the sales and use taxes
 29 collected under this subchapter.

30 (2) Transmittals shall be made at least monthly in each state
 31 fiscal year.

32 (3) Funds may be used by the regional parks district for any
 33 purposes for which the regional parks district's general funds may be used.

34 (4) Before transmitting the funds, the State Treasurer shall
 35 deduct three percent (3%) of the sum collected during the period as a charge
 36 by the state for its services specified in the subchapter, and the amount so

1 deducted, shall be deposited by the State Treasurer to the credit of the
2 account of the Constitutional and Fiscal Agencies Fund.

3 (b)(1) The State Treasurer may retain in the suspense account of any
4 regional parks district a proportion of the tax collected under this
5 subchapter.

6 (2) The retained balance shall not exceed five percent (5%) of
7 the amount remitted to the district.

8 (3) The State Treasurer may make refunds from the suspense
9 account to any district for overpayments made to the account, after the
10 refunds have been approved by the Director of the Department of Finance and
11 Administration, and to redeem dishonored checks and drafts deposited to the
12 credit of the suspense account of the district.

13 (c)(1) If a regional parks district adopts the local sales and use tax
14 and then abolishes the tax, the State Treasurer shall retain in the suspense
15 account for the regional parks districts for a period of one (1) year, five
16 percent (5%) of the final remittance to the districts at the time of
17 termination of collection of the tax.

18 (2) The retained funds shall cover possible refunds for
19 overpayment of the tax and to redeem dishonored checks and drafts deposited
20 to the credit of the accounts.

21 (3) After one (1) year has elapsed after the tax is abolished,
22 the State Treasurer shall remit the balance of the account to the regional
23 parks district and close the account.

24 (4) After the one-year period has elapsed and the account is
25 closed, no refund is allowed.

26 (d)(1) If a certified copy of a resolution of the board of
27 commissioners of the regional parks district is filed with the Director of
28 the Department of Finance and Administration and the State Treasurer
29 indicates the tax is pledged to secure lease rentals or the payments of bonds
30 authorized by this subchapter, then moneys collected shall not be deposited
31 in the State Treasury, but shall be deposited by the State Treasurer in banks
32 designated by the board of commissioners as cash funds.

33 (2) The funds shall be transmitted to the regional parks
34 district subject to the charges payable and retained as authorized under this
35 section.

36 (3) The charges transmitted to the State Treasurer and amounts

1 retained, shall be retained by the State Treasurer as cash funds.

2
3 25-20-431. Procedures and penalties for enforcement.

4 (a) The procedures and penalties used by the Director of the
5 Department of Finance and Administration in enforcing any local tax imposed
6 under this subchapter are the same as for the state gross receipts tax and
7 compensating tax, except as specifically prescribed under this subchapter.

8 (b)(1) If property is seized by the director under any law authorizing
9 seizure of property of a taxpayer who is delinquent in the payment of the
10 taxes imposed by the Arkansas Gross Receipts Act, § 26-52-101, et seq., or
11 the Arkansas Compensating Tax Act, § 26-53-101, et seq., and, if the taxpayer
12 is also delinquent in payment of any tax imposed by this subchapter, the
13 director shall sell sufficient property to pay the delinquent taxes and
14 penalty due a regional parks district under this subchapter and to pay any
15 amount due the state.

16 (2) The proceeds of the sale shall first be applied to all sums
17 due to the state, and any remainder shall be applied to sums due the
18 district.

19
20 25-20-432. Rules and regulations.

21 The Director of the Department of Finance and Administration may
22 promulgate reasonable rules and regulations under this subchapter to
23 implement the enforcement, administration, and collection of the taxes
24 authorized under this subchapter.

25
26 25-20-433. Existing taxing powers.

27 This subchapter shall not abolish or limit the existing powers of
28 taxation of any public agency participating in a regional parks district.

29
30 25-20-434. Supplemental.

31 This subchapter is an additional and alternative method for
32 accomplishing the purposes authorized under this subchapter and is
33 supplemental and additional to powers conferred by other laws.

34
35 25-20-435. Construction.

36 (a) This subchapter is liberally construed to accomplish its intent

1 and purposes and is the sole authority required for the accomplishment of its
2 purposes.

3 (b) The issuance and sale of the bonds under this subchapter is an
4 additional and alternative method for the issuance and sale of bonds, and it
5 is not necessary to comply with any other law relating to the issuance of
6 bonds.

7
8 SECTION 2. Arkansas Code § 25-20-104(i), concerning interlocal
9 agreements between local governments in Arkansas, is amended to read as
10 follows:

11 (i) In addition to the legal or administrative entities which may
12 otherwise be legally created under Arkansas statutes, public agencies may
13 create a separate legal entity in the form of a public body corporate and
14 politic pursuant to:

15 (1) Section 25-20-201 et seq. for the purpose of constructing,
16 operating, and maintaining a public library system; ~~or~~

17 (2) Section 25-20-301 et seq. for the purpose of constructing,
18 owning, operating, financing, and maintaining a consolidated waterworks
19 system; or

20 (3) Sections 25-20-401 through 25-20-435 for the purpose of
21 forming, acquiring, constructing, owning, operating, financing, and
22 maintaining a regional parks district.

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