

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

SENATE BILL 464

5 By: Senators Hester, Irvin
6 By: Representative Maddox
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW REGARDING TOURISM; TO AMEND
10 THE ARKANSAS TOURISM DEVELOPMENT ACT; AND FOR OTHER
11 PURPOSES.
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Subtitle

14 TO AMEND THE ARKANSAS TOURISM DEVELOPMENT
15 ACT.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. DO NOT CODIFY. Legislative findings and intent.

22 (a) The General Assembly finds that:

23 (1) Arkansas, the Natural State, is home to some of the most
24 beautiful natural resources in the world;

25 (2) Arkansas's scenic rivers, lakes, forests, mountains, caves,
26 creeks, roadways, airstrips, and trails offer limitless opportunities for
27 outdoor adventure;

28 (3) Outdoor recreation is a powerful economic engine and a
29 gateway to improved quality of life and positive health outcomes for all
30 Arkansans;

31 (4) The Bureau of Economic Analysis at the United States
32 Department of Commerce estimated that outdoor recreation generates eight
33 hundred sixty-two billion dollars (\$862,000,000,000) annually in economic
34 output;

35 (4) In Arkansas, the outdoor economy grew by almost twenty-three
36 percent (23%) in 2022; and



1 (5) It is imperative that Arkansas seize the momentum and further
2 establish the Natural State as a leader in the outdoor economy and a
3 destination for outdoor enthusiasts from around the world.

4 (b) The General Assembly intends with this act to establish the
5 Natural State Initiative Pilot Program.

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7 SECTION 2. Arkansas Code § 15-11-503(4), concerning the definition of
8 "eligible company" under the Arkansas Tourism Development Act, is amended to
9 read as follows:

10 (4) "Eligible company" means any corporation, limited liability
11 company, partnership, registered limited liability partnership, sole
12 proprietorship, business trust, or any other entity that invests:

13 (A) a minimum of five hundred thousand dollars (\$500,000) in a
14 high-unemployment county or one million dollars (\$1,000,000) in any other
15 county for the purpose of constructing, operating, or intending to operate a
16 tourism attraction project, whether owned or leased, within the state that
17 meets the standards promulgated by the director pursuant to § 15-11-504; or

18 (B) For the purpose of constructing, operating, or intending to
19 operate a tourism attraction project, whether owned or leased, located in a
20 Natural State Initiative Opportunity Zone that meets the standards
21 promulgated under §§ 15-11-504 and 15-11-512:

22 (i) A minimum of two hundred fifty thousand dollars
23 (\$250,000) in a high-unemployment county; or

24 (ii) Five hundred thousand dollars (\$500,000) in any other
25 county;

26
27 SECTION 3. Arkansas Code § 15-11-503(13), concerning the definition of
28 "tourism attraction" under the Arkansas Tourism Development Act, is amended
29 to read as follows:

30 (13)(A) "Tourism attraction" means:

31 (i) Cultural or historical sites;

32 (ii) Recreational or entertainment facilities;

33 (iii) Areas of natural phenomena or scenic beauty;

34 (iv) Theme parks;

35 (v) Amusement or entertainment parks;

36 (vi) Indoor or outdoor plays or music shows;

- 1 (vii) Botanical gardens; ~~and~~
- 2 (viii) Cultural or educational centers; and
- 3 (ix) Restaurants located within a Natural State
- 4 Initiative Opportunity Zone.

5 (B) "Tourism attraction" does not include:

- 6 (i) Lodging facilities, unless the facilities:
- 7 (a) constitute ~~constitute~~ Constitute a portion of a
- 8 tourism attraction project and represent less than sixty percent (60%) of the
- 9 total approved costs of the tourism attraction project or unless the tourism
- 10 attraction project meets the special rules outlined in § 15-11-510; or
- 11 (b) Are located within a Natural State

12 Initiative Opportunity Zone;

- 13 (ii) Facilities that are primarily devoted to the
- 14 retail sale of goods, unless the goods are created at the site of the tourism
- 15 attraction project or if the sale of goods is incidental to the tourism
- 16 attraction project;

- 17 (iii) Facilities that are not open to the general
- 18 public;

- 19 (iv) Facilities that do not serve as a likely
- 20 destination where individuals who are not residents of the state would remain
- 21 overnight in commercial lodging at or near the tourism attraction project;

- 22 (v) Facilities owned by the State of Arkansas or a
- 23 political subdivision of the state, unless the facility is leased by an
- 24 eligible company and is located within a Natural State Initiative Opportunity
- 25 Zone; or

- 26 (vi)(a) Facilities established for the purpose
- 27 of conducting legalized gambling.

- 28 (b) However, a facility regulated under the
- 29 Arkansas Horse Racing Law, § 23-110-101 et seq., or the Arkansas Greyhound
- 30 Racing Law, § 23-111-101 et seq., shall be a tourism attraction for purposes
- 31 of this subchapter for any approved tourism attraction project as outlined in
- 32 subdivision (13)(A) of this section or for an approved tourism attraction
- 33 project relating to pari-mutuel racing at the facility and not for
- 34 establishing a casino or for offering casino-style gambling; and

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36 SECTION 4. Arkansas Code § 15-11-503, concerning definitions under the

1 Arkansas Tourism Development Act, is amended to add an additional subdivision
2 to read as follows:

3 (15) "Natural State Initiative Opportunity Zone" means a
4 geographic area in this state designated by the Director of the Arkansas
5 Economic Development Commission under § 15-11-512 where a tourism attraction
6 may be located and receive incentive benefits under this subchapter.

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8 SECTION 5. Arkansas Code § 15-11-504(b)(3), concerning tourism
9 attraction project applications under the Arkansas Tourism Development Act,
10 is amended to read as follows:

11 (3) Capital and other anticipated expenditures for the tourism
12 attraction project that indicate that the total cost of the tourism
13 attraction project shall exceed ~~five hundred thousand dollars (\$500,000) in a~~
14 ~~high-unemployment county and one million dollars (\$1,000,000) in all other~~
15 ~~counties and the anticipated sources of funding for the tourism attraction~~
16 ~~project~~ the amounts specified in § 15-11-503(4);

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18 SECTION 6. Arkansas Code § 15-11-504(c)(2), concerning the review of
19 data related to a tourism attraction project application under the Arkansas
20 Tourism Development Act, is amended to read as follows:

21 (2) Have costs in excess of ~~five hundred thousand dollars~~
22 ~~(\$500,000) in a high-unemployment county and one million dollars (\$1,000,000)~~
23 ~~in all other counties~~ the amounts specified in § 15-11-503(4);

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25 SECTION 7. Arkansas Code § 15-11-510, concerning special rules for
26 certain lodging facilities under the Arkansas Tourism Development Act, is
27 amended to add an additional subsection to read as follows:

28 (c) A lodging facility located within a Natural State Initiative
29 Opportunity Zone is not subject to the requirements of subsection (a) of this
30 section.

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32 SECTION 8. Arkansas Code Title 15, Chapter 11, Subchapter 5, is
33 amended to add an additional section to read as follows:

34 15-11-512. Natural State Initiative Pilot Program.

35 (a) There is created a program to be known as the "Natural State
36 Initiative Pilot Program".

1 (b) The program shall be developed, implemented, and administered by
2 the Arkansas Economic Development Commission in consultation with the
3 Department of Parks, Heritage, and Tourism.

4 (c) The purpose of the program is to:

5 (1) Promote both Arkansas's growing outdoor recreation industry
6 and the economic impact of outdoor infrastructure investment;

7 (2) Recruit new outdoor recreation businesses to Arkansas,
8 expand existing outdoor recreation businesses, and foster entrepreneurial
9 growth by using economic development incentives, site selection services,
10 funding, and training resources within the Arkansas Economic Development
11 Commission; and

12 (3) Implement Natural State Initiative Opportunity Zones.

13 (d) The Arkansas Economic Development Commission and the Department of
14 Parks, Heritage, and Tourism shall work cooperatively to accomplish the
15 purposes of the program.

16 (e)(1) The Director of the Arkansas Economic Development Commission,
17 in consultation with the Secretary of the Department of Parks, Heritage, and
18 Tourism, shall establish no more than four (4) Natural State Initiative
19 Opportunity Zones.

20 (2)(A) The Natural State Initiative Opportunity Zones shall be
21 located within or no more than one-eighth (1/8th) of a mile outside the
22 boundaries of a state park, a cultural or historic site, or a cultural or
23 educational center.

24 (B) In designating the location of the Natural State
25 Initiative Opportunity Zones, the director shall take into account the need
26 for geographic diversity in the locations of the Natural State Initiative
27 Opportunity Zones and the potential for economic development opportunities
28 within the proposed Natural State Initiative Opportunity Zones.

29 (3) The Director of the Arkansas Economic Development Commission
30 shall establish the Natural State Initiative Opportunity Zones through the
31 promulgation of rules in accordance with the Arkansas Administrative
32 Procedure Act, § 25-15-201 et seq.

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35 **APPROVED: 4/11/23**
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