

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

A BILL ACT 646 OF 1991
HOUSE BILL 1895

For An Act To Be Entitled

8 "AN ACT TO AMEND TITLE 14, CHAPTER 164, SUBCHAPTER 3 OF
9 THE ARKANSAS CODE OF 1987 ANNOTATED; TO AUTHORIZE
10 MUNICIPALITIES AND COUNTIES TO SIMULTANEOUSLY ADOPT LOCAL
11 SALES AND USE TAXES PURSUANT TO TITLE 26, CHAPTER 75,
12 SUBCHAPTER 2, AND TITLE 26, CHAPTER 74, SUBCHAPTER 2,
13 RESPECTIVELY, OF THE ARKANSAS CODE OF 1987 ANNOTATED, AND
14 TO PLEDGE ALL OR A PORTION OF SUCH LOCAL SALES AND USE
15 TAXES TO SECURE BONDS ISSUED PURSUANT TO TITLE 14, CHAPTER
16 164, SUBCHAPTER 3 OF THE ARKANSAS CODE OF 1987 ANNOTATED;
17 DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES."

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

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21 SECTION 1. Subparagraph (12) of Section 14-164-303(a) of the Arkansas
22 Code of 1987 Annotated is hereby amended to read as follows:

23
24 "(12) Local sales and use tax, as used in §§ 14-164-327 to
25 14-164-339, means a tax on the receipts from sales at retail within such
26 municipality or county of all items which are subject to taxation under the
27 Arkansas Gross Receipts Tax Act of 1941, as amended, 26-52-101 et seq., and a
28 tax on the receipts for storing, using or consuming tangible personal property
29 under the Arkansas Compensating Tax Act of 1949, as amended, 26-53-101 et
30 seq.;"

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32 SECTION 2. Paragraph (a) of Section 14-164-305 of the Arkansas Code of
33 1987 Annotated is hereby amended to read as follows:

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35 "(a) It is the specific intent of this subchapter that the provisions
36 of this subchapter, and in particular §§ 14-164-303(b), and 14-164-326 to

1 14-164-339, are supplemental to other constitutional or statutory provisions
2 which may provide for the financing of capital improvements of a public nature
3 or the securing and developing of industry."
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5 SECTION 3. The Arkansas Code of 1987 Annotated §§14-164-301 to 14-164-
6 338 is hereby amended by adding a new §14-164-339 to read as follows:

7
8 "14-164-339. Simultaneous pledge of local sales and use tax.

9 (a) (1) Any municipality levying a local sales and use tax pursuant to
10 the provisions of §26-75-201 et seq. may, simultaneously with such levy,
11 pledge all or a specified portion of such tax to retire bonds for the purposes
12 set forth in §14-164-303(a)(2).

13 (2) The ballot form in a municipal election to levy a local sales
14 and use tax pursuant to the provisions of §26-75-208 and to simultaneously
15 pledge all or a specified portion of such tax to retire bonds as provided in
16 this subchapter shall be headed with the question of approval or disapproval
17 of such tax and shall be followed by the question or questions of the issuance
18 of the bonds.

19 (3) The question or questions of the issuance of bonds shall also
20 contain a statement describing the extent to which the tax, if approved, may
21 be pledged to retire the bonds which are approved by the voters of the
22 municipality.

23 (4) The election shall be conducted as provided in §14-164-309
24 and §14-164-328, and the bonds shall be authorized, issued and secured as
25 provided in this subchapter.

26 (b) (1) Any county levying a local sales and use tax pursuant to the
27 provisions of §26-74-201 et seq. may, simultaneously with such levy, pledge
28 all or a specified portion of such tax to retire bonds for the purposes set
29 forth in §14-164-303(a)(2).

30 (2) The ballot form in a county election to levy a local sales
31 and use tax pursuant to the provisions of §26-74-207 and to simultaneously
32 pledge all or a specified portion of its share of such tax to retire bonds as
33 provided in this subchapter shall be headed with the question of approval or
34 disapproval of such tax and shall be followed by the question or questions of
35 the issuance of the bonds.

1 (3) The question or questions of the issuance of bonds shall also
2 contain a statement describing the extent to which the tax, if approved, may
3 be pledged to retire the bonds which are approved by the voters of the county.

4 (4) The election shall be conducted as provided in §14-164-309
5 and §14-164-328, and the bonds shall be authorized, issued and secured as
6 provided in this subchapter.

7 (c) In any municipality or county in which a local sales and use tax is
8 adopted pursuant to §26-75-201 et seq. or §26-74-201 et seq., respectively,
9 and pledged to secure the payment of bonds as authorized by this subchapter,
10 that portion of the tax pledged to secure the payment of bonds shall not be
11 repealed, abolished, or reduced so long as any of such bonds are outstanding.

12 (d) In any municipality or county in which a local sales and use tax is
13 approved and the issuance of bonds disapproved in an election held pursuant to
14 subsection (a) or (b) of this section, revenues derived from such local sales
15 and use tax may be utilized by the municipality or county for any valid
16 governmental purpose.

17 (e) (1) Any moneys collected which, as indicated by a certified copy of
18 an ordinance of the municipality or county previously filed with the director
19 and the Treasurer, are pledged, under the provisions of any act, to secure the
20 retirement of bonds authorized by this subchapter, shall be transmitted by the
21 director to the Treasurer.

22 (2) The Treasurer shall not deposit any such moneys into the
23 State Treasury or into General Revenues, but shall hold such moneys apart, in
24 trust, and shall deposit such moneys as cash funds into the Local Sales and
25 Use Tax Trust Fund established by this subchapter.

26 (3) The Treasurer shall transmit monthly to the treasurer of the
27 municipality or county, as the case may be, or in the alternative, to a bank
28 or other depository designated by the municipality or county, the moneys of
29 the municipality or county held in the Local Sales and Use Tax Trust Fund
30 established by this subchapter, subject to the charges payable and retainage
31 authorized by §§26-74-201 to 26-74-219, 26-74-221, 26-74-315 to 26-74-317, 26-
32 75,201 to 26-75-221, 26-75-223, 26-75-317, and 26-75-318."

33

34 SECTION 4. All provisions of this act of a general and permanent nature
35 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code

1 Revision Commission shall incorporate the same in the Code.

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3 SECTION 5. If any provision of this act or the application thereof to
4 any person or circumstance is held invalid, such invalidity shall not affect
5 other provisions or applications of the act which can be given effect without
6 the invalid provision or application, and to this end the provisions of this
7 act are declared to be severable.

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9 SECTION 6. All laws and parts of laws in conflict with this act are
10 hereby repealed.

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12 SECTION 7. EMERGENCY. It is hereby found and determined by the General
13 Assembly that municipalities and counties in this state are faced with
14 financial crises with reference to having sufficient tax resources to fund
15 both capital projects and operations. That such financial crises constitute
16 such an emergency that the immediate passage of this act is necessary in order
17 to provide financial flexibility and relief to such municipalities and
18 counties. Therefore, an emergency is hereby declared to exist and this act
19 being necessary for the immediate preservation of the public peace, health
20 and safety shall be in full force and effect from and after its passage and
21 approval.

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23 APPROVED: 3-19-91

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