

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **First Extraordinary Session, 1992**  
4 **By: Representative McJunkin**  
5 *Representative Hinshaw*

Call Item 40  
**A BILL ACT 36 OF 1992**

HOUSE BILL 1027

7 **For An Act To Be Entitled**

8 "AN ACT TO AMEND ARKANSAS CODE 14-164-338 TO CLARIFY THAT  
9 A LOCAL SALES AND USE TAX MAY BE LEVIED FOR CAPITAL  
10 IMPROVEMENTS BEYOND A TWENTY-FOUR MONTH PERIOD;  
11 PRESCRIBING OTHER MATTERS PERTAINING THERETO; DECLARING AN  
12 EMERGENCY; AND FOR OTHER PURPOSES."

13  
14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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16 SECTION 1. *Arkansas Code 14-164-338 is hereby amended to read as*  
17 *follows:*

18 *"14-164-338. Alternative to issuance of bonds.*

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

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

30 *(2) The revenues from the tax are expended solely for the purpose*  
31 *authorized by the electorate.*

32 *(b) The portion of the tax authorized by Arkansas Code 14-164-327 which*  
33 *is not utilized under this section may be used as otherwise provided in this*  
34 *subchapter.*

35 *(c) The provisions of this section shall not preclude or affect the*  
36 *ability of a municipality or county to levy a sales and use tax beyond the*

1 twenty-four (24) month period, (unless so restricted on the ballot), or for  
2 less than the twenty-four month period (if stated on the ballot) under  
3 Arkansas Code sections 26-74-201 through 26-74-223, 26-74-301 through 26-74-  
4 319, 26-75-201 through 26-75-223, and 26-75-301 through 26-75-318 and use all  
5 or a portion of the proceeds thereof to finance capital improvements of a  
6 public nature, with or without issuing bonds and with or without an election  
7 approving the use of the tax collections for capital improvements.

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

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21 SECTION 2. All provisions of this act of a general and permanent nature  
22 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
23 Revision Commission shall incorporate the same in the Code.

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

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31 SECTION 4. All laws and parts of laws in conflict with this act are  
32 hereby repealed.

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34 SECTION 5. EMERGENCY. It is hereby found and declared by the General  
35 Assembly that municipalities and counties in this state have an immediate need

1 to finance capital improvements of a public nature and that existing laws must  
2 be clarified in order to insure the use of those laws to accomplish the same.  
3 Therefore, an emergency is hereby declared to exist and this act being  
4 immediately necessary for the preservation of the public peace, health and  
5 safety shall be in full force and effect from and after its passage and  
6 approval.

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*/s/McJunkin and Hinshaw*

APPROVED: 3-10-92

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