

*As Engrossed: 3/8/93*

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

# **A Bill**

**ACT 1014 OF 1993**  
**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."

11

## **Subtitle**

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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  
36 subchapter.

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

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

21 (e) The revenues derived from this tax may also be used to retire  
22 existing bonds issued for the acquisition, renovation, or construction of  
23 capital improvements."  
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25 SECTION 2. All provisions of this act of a general and permanent nature  
26 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
27 Revision Commission shall incorporate the same in the Code.  
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29 SECTION 3. If any provision of this act or the application thereof to  
30 any person or circumstance is held invalid, such invalidity shall not affect  
31 other provisions or applications of the act which can be given effect without  
32 the invalid provision or application, and to this end the provisions of this  
33 act are declared to be severable.  
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35 SECTION 4. All laws and parts of laws in conflict with this act are

1 hereby repealed.

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

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*/s/Rep. Hunton, et al*

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APPROVED: 4/12/93

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