

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.

Act 2314 of the Regular Session

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005  
4

As Engrossed: H3/11/05

A Bill

HOUSE BILL 2359

5 By: Representatives Petrus, Stovall  
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8 **For An Act To Be Entitled**

9 AN ACT TO ALLOW A COUNTY QUORUM COURT TO LEVY AN  
10 ADVERTISING AND PROMOTION TAX IF ANY RATE OF  
11 ADVERTISING AND PROMOTION TAX IS LEVIED BY A  
12 MUNICIPALITY IN THE COUNTY; AND FOR OTHER  
13 PURPOSES.  
14

15 **Subtitle**

16 AN ACT TO ALLOW A COUNTY QUORUM COURT TO  
17 LEVY AN ADVERTISING AND PROMOTION TAX IF  
18 ANY RATE OF ADVERTISING AND PROMOTION  
19 TAX IS LEVIED BY A MUNICIPALITY IN THE  
20 COUNTY.  
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
24

25 SECTION 1. Arkansas Code § 14-20-112 is amended to read as follows:

26 14-20-112. County gross receipts tax on hotels and restaurants.

27 (a)(1)(A)(i) Any county in which there is located a ~~city~~ municipality  
28 that levies a ~~two percent (2%)~~ gross receipts tax on hotels, motels, and  
29 restaurants as authorized in §§ 26-75-601 - 26-75-613 may levy by ordinance  
30 of the county quorum court a like tax at the same rate as the levying ~~city~~  
31 municipality or at a lesser rate upon the furnishing of hotel and motel  
32 accommodations and upon the gross receipts of restaurants and similar  
33 establishments located within the county outside the boundaries of the  
34 levying municipality.

35 (ii) The tax levied under this subdivision (a)(1)(A)



1 shall only apply to establishments located within unincorporated areas of the  
2 county.

3 (B) Any county in which there is located a ~~city~~  
4 municipality that levies a ~~two percent (2%)~~ gross receipts tax on hotels,  
5 motels, and restaurants as authorized in § 26-75-701 et seq. may levy by  
6 ordinance of the county quorum court a like tax at the same rate as the  
7 levying ~~city~~ municipality or at a lesser rate upon the furnishing of hotel  
8 and motel accommodations, the admission price to tourist attractions as  
9 defined in § 26-52-1001, the gross receipts of gift shops referred to in §  
10 26-75-701, restaurants, and similar establishments located within any  
11 township in the county outside the boundaries of the levying municipality.

12 (b)(1) When any county levies the tax authorized in this section, the  
13 tax so levied shall be paid by the persons, firms, and corporations liable  
14 therefor and shall be collected by the levying county in the same manner and  
15 at the same time as the gross receipts tax levied by § 26-52-101 et seq.

16 (2)(A)(i) The quorum court levying such tax and the governing  
17 body of the ~~city~~ municipality levying a like tax may enter into an agreement  
18 whereby the tax levied by the county will be collected by the ~~city~~  
19 municipality.

20 (ii) If the tax levied by the county is collected by  
21 the ~~city~~ municipality, all revenues derived from the tax shall be deposited  
22 in the ~~city~~ municipality's advertising and promotion fund.

23 (B) If the tax is collected by the levying county, all  
24 revenues derived from the tax, after deducting an amount equal to the cost of  
25 collecting it, shall be deposited in the advertising and promotion fund of  
26 the ~~city~~ municipality located within the county that levies a like tax.

27 (C) All such funds deposited in the ~~city~~ municipality's  
28 advertising and promotion fund shall be used for the purposes prescribed in  
29 §§ 26-75-601 - 26-75-613.

30 (c) When any county levies a tax as authorized in this section, the  
31 tax shall be reported and remitted in the manner and on forms prescribed by  
32 the county or the ~~city~~ municipality, ~~and the provisions of § 26-52-101 et~~  
33 ~~seq., relating to rules, regulations, forms of notice, assessment procedures,~~  
34 ~~and the enforcement and collection of the Arkansas gross receipts tax shall~~  
35 ~~be applicable with respect to the enforcement and collection of any tax~~  
36 ~~levied pursuant to this section, so far as practicable.~~

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2 SECTION 2. Arkansas Code § 26-75-605 is amended to read as follows:  
3 26-75-605. Advertising and promotion commissions.

4 (a) Any ~~city~~ municipality levying a tax pursuant to this subchapter  
5 shall, by ordinance, create a ~~city~~ municipality advertising and promotion  
6 commission, to be composed of seven (7) members, as follows:

7 (1) Four (4) members shall be owners or managers of businesses  
8 in the tourism industry, and the owner or manager shall reside in the levying  
9 ~~city~~ municipality or, if the governing body of the ~~city~~ municipality provides  
10 for by ordinance, the owner or manager may reside outside of the ~~city~~  
11 municipality but within the county in which the ~~city~~ municipality is located,  
12 at least three (3) of whom shall be owners or managers of hotels, motels, or  
13 restaurants, and who shall serve for staggered terms of four (4) years;

14 (2) Two (2) members of the commission shall be members of the  
15 governing body of the ~~city~~ municipality and selected by the governing body  
16 and shall serve at the will of the governing body; and

17 (3) One (1) member shall be from the public at large, who shall  
18 reside within the levying ~~city~~ municipality or in the county of the levying  
19 municipality, and shall serve for a term of four (4) years.

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21 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
22 General Assembly of the State of Arkansas that existing law restricts the  
23 ability of a county to levy an advertising and promotion tax within the  
24 county; that existing law restricts the ability of a municipality to collect  
25 advertising and promotion tax; that advertising and promotion tax provides a  
26 source of municipality and county funds for promoting tourism and enhances  
27 the state's economy; and that this act is immediately necessary in order to  
28 provide cities and counties with the ability to control local finances.  
29 Therefore, an emergency is declared to exist and this act being immediately  
30 necessary for the preservation of the public peace, health, and safety shall  
31 become effective on:

32 (1) The date of its approval by the Governor;

33 (2) If the bill is neither approved nor vetoed by the Governor,  
34 the expiration of the period of time during which the Governor may veto the  
35 bill; or

36 (3) If the bill is vetoed by the Governor and the veto is

1 overridden, the date the last house overrides the veto.

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*/s/ Petrus, et al*

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**APPROVED: 4/14/2005**

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