

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 518 of the Regular Session

1 State of Arkansas

As Engrossed: H3/12/07 H3/14/07

2 86th General Assembly

A Bill

3 Regular Session, 2007

HOUSE BILL 2278

4
5 By: Representatives Moore, Blount, Cheatham, Dunn, Hall, Maxwell, Rainey, Reep

6 By: Senators J. Jeffress, J. Taylor

7
8
9 **For An Act To Be Entitled**

10 AN ACT TO CREATE AN INCOME TAX CREDIT FOR
11 GEOTOURISM INVESTMENT IN THE LOWER MISSISSIPPI
12 RIVER DELTA; AND FOR OTHER PURPOSES.

13
14 **Subtitle**

15 "THE DELTA GEOTOURISM INCENTIVE ACT OF
16 2007."

17
18
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

20
21 SECTION 1. Title. This act shall be known and cited as "The Delta
22 Geotourism Incentive Act of 2007".

23
24 SECTION 2. Legislative findings and purpose.

25 The General Assembly finds that:

26 (1) It is in the best interest of the population of the State of
27 Arkansas to promote the economic development of the Lower Mississippi River
28 Delta through geotourism by providing a limited rural income tax credit to
29 persons and entities that invest in geotourism-supporting businesses that
30 attract and accommodate out of state visitors and that serve to preserve,
31 perpetuate, interpret, and present the rich culture, history, and natural
32 resources of the Lower Mississippi River Delta community; and

33 (2) The State of Arkansas' primary concern is to:

34 (A) Stimulate the flow of private capital for geotourism
35 and geotourism-supporting businesses in the Lower Mississippi River Delta;



1 (B) Provide financial incentive for the development of
2 geotourism and geotourism-supporting businesses in the Lower Mississippi
3 River Delta;

4 (C) Create a new geotourism-based economy and thereby
5 promote quality job growth in the Lower Mississippi River Delta by fostering
6 the development of geotourism and geotourism-supporting businesses; and

7 (D) Enhance the quality of life of persons residing in the
8 Lower Mississippi River Delta.

9
10 SECTION 3. Definitions.

11 As used in this act:

12 (1) "Economically distressed area" means a county-wide area in
13 Arkansas in which the percentage of families that earn income below poverty
14 level exceeds twenty-three percent (23%), based on year 2000 income levels as
15 compiled by the Bureau of the Census, United States Department of Commerce
16 demographic profiles;

17 (2) "Geotourism" means tourism that sustains or enhances the
18 geographical character of an area including without limitation, its
19 environment, heritage, aesthetics, culture, natural resources, and well-being
20 of its residents.

21 (3) "Geotourism attraction" means an environmental, aesthetic,
22 cultural, or natural point of interest in an area of natural phenomena or
23 scenic beauty that attracts tourists to experience and appreciate the
24 environmental, aesthetic, cultural, or natural point of interest including
25 without limitation:

26 (A) A geological monument;

27 (B) A lake;

28 (C) A mountain;

29 (D) A park;

30 (E) A river;

31 (F) A species of animal abundant or unique to a particular
32 area;

33 (G) A species of bird abundant or unique to a particular
34 area;

35 (H) A species of insect abundant or unique to a particular
36 area;

1 (I) A wetland or aquatic resources area; and

2 (J) An historic site;

3 (4)(A) "Geotourism-supporting business" means a business
4 necessary to support a geotourism attraction by constructing, expanding or
5 re-modeling a retail facility including without limitation, cultural or
6 educational centers, indoor or outdoor plays or music shows, recreational or
7 entertainment facilities, sporting goods retail and rental establishments,
8 guide services, transient lodging facilities including RV parks, arts and
9 antique shops, campgrounds, bed and breakfasts, and dining establishments.

10 (B) "Geotourism-supporting business" does not include:

11 (i) Facilities that are not open to the general
12 public; or

13 (ii) Facilities owned by the State of Arkansas or a
14 political subdivision of the state.

15 (5) "Geotourist" means a person who travels to an area to enjoy
16 the area's natural habitats, heritage sites, scenic appeals, and local
17 culture;

18 (6) "Lower Mississippi River Delta" means a county in Arkansas
19 or portion of a county in Arkansas whose land area includes an alluvial plain
20 created by the Mississippi River; and

21 (7) "Person or entity" means a sole proprietorship, partnership,
22 LLC, or corporation.

23
24 SECTION 3. Income tax credit for geotourism development.

25 (a) To qualify for an income tax credit under this act, a person or
26 entity shall invest a minimum of twenty-five thousand dollars (\$25,000) in a
27 geotourism-supporting business located in the Lower Mississippi River Delta
28 that meets the following criteria:

29 (1) In an economically distressed area or a county that borders
30 two (2) counties defined as economically distressed.

31 (2) In an unincorporated area or a city with a population of
32 less than sixteen-thousand (16,000) as determined by the U.S. Census Report
33 of 2000;

34 (3) Within five (5) miles of a national scenic byway; and

35 (4) Within fifteen (15) miles of:

36 (A) Public access to a navigable river; or

1 (B) An Arkansas State Park; or

2 (C) An Arkansas State Game and Fish Commission Wildlife
3 Management Area; or

4 (D) A National Wildlife Refuge.

5 (b)(1) A person or entity is eligible to receive an income tax credit
6 under this act equal to twenty-five percent (25%) of the amount of an
7 investment for a purpose described in subsection (a) of this section for the
8 year that the investment is made provided that the geotourism-supporting
9 business is currently operating as a business.

10 (2) For any tax year, the maximum amount of investment to be
11 considered in determining the income tax credit under this act is one hundred
12 thousand dollars (\$100,000).

13
14 SECTION 4. Rules and regulations.

15 (a) The Department of Finance and Administration shall promulgate
16 rules necessary to implement this act.

17 (b) The Department of Finance and Administration shall consult with
18 the Arkansas Department of Parks and Tourism in promulgating rules under this
19 act.

20 (c) The Department of Finance and Administration and the Arkansas
21 Department of Parks and Tourism may inspect facilities and records of a
22 person or an entity requesting or receiving an income tax credit under this
23 act as necessary to verify a claim.

24
25 SECTION 5. Expiration.

26 (a) This act expires at the end of the 2011 tax year.

27 (b) If the geotourism-supporting business is currently operating as a
28 business, an unused income tax credit under this act may be carried forward
29 on an income tax return for five (5) years after the year in which the income
30 tax credit was first earned or until exhausted, whichever event occurs first.

31
32 SECTION 6. EMERGENCY CLAUSE. It is found and determined by the General
33 Assembly of the State of Arkansas that the Lower Mississippi River Delta is
34 an area of the state that is rich in culture, diversity, history and natural
35 environmental beauty and yet is economically distressed; that the development
36 of a geotourism industry in the Lower Mississippi River Delta will spur

1 growth and economic opportunity for all Arkansans; and that the economy of
2 the Lower Mississippi River Delta cannot withstand any delay of economic
3 incentive or relief. Therefore, an emergency is declared to exist and this
4 act being necessary for the preservation of the public peace, health, and
5 safety shall become effective on:

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

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

10 (3) If the bill is vetoed by the Governor and the veto is
11 overridden, the date the last house overrides the veto.

12
13 */s/ Moore, et al*

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15 *APPROVED: 3/28/2007*