

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 957 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009

A Bill

SENATE BILL 789

4
5 By: Senator Bryles
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7

For An Act To Be Entitled

8
9 AN ACT TO ALLOW MUNICIPALITIES TO ESTABLISH AN
10 EFFECTIVE DATE FOR THE LEVY OF CERTAIN MUNICIPAL
11 SALES AND USE TAXES; AND FOR OTHER PURPOSES.
12
13

Subtitle

14
15 TO ALLOW MUNICIPALITIES TO ESTABLISH AN
16 EFFECTIVE DATE FOR THE LEVY OF CERTAIN
17 MUNICIPAL SALES AND USE TAXES.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Arkansas Code § 26-75-207(d), regarding the levying of
23 sales and use tax for capital improvements, is amended to read as follows:

24 (d)(1) The levying ordinance or the petition may indicate an effective
25 date for the ordinance or petition that is effective later than the effective
26 date provided in § 26-75-209(1)(D)(ii).

27 (2) The effective date of the ordinance or petition delayed
28 under subdivision (d)(1) of this section shall:

29 (A) Be scheduled on the first day of the first month of a
30 calendar quarter; and

31 (B) Not be delayed for more than thirty-six (36) months
32 after the date the ordinance or petition would be effective under § 26-75-
33 209(1)(D)(ii).

34 (e) The sales tax portion of any local sales and use tax adopted under
35 this subchapter shall be levied by the governing body on the receipts from



1 the sale at retail of all items and services that are subject to taxation
 2 under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the
 3 Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

4
 5 SECTION 2. Arkansas Code § 26-75-208(b)(3), concerning the special
 6 election required for municipal sales and use taxes, is amended to read as
 7 follows:

8 (3)(A) If an effective date for the ordinance or petition is
 9 delayed under § 26-75-207(d), the ballot title shall also include the
 10 effective date of the ordinance or petition or the effective date of the levy
 11 of the tax.

12 (B) If the ballot title with the delayed effective date is
 13 approved by the voters, the ordinance or petition or the tax shall not become
 14 effective until the date stated on the ballot.

15 (4) The election shall be conducted in the manner provided by
 16 law for all other municipal elections unless otherwise specified in this
 17 subchapter.

18
 19 SECTION 3. Arkansas Code § 26-75-209(1)(D), concerning the effective
 20 date of the ordinance, is amended to read as follows:

21 (D)(i) The mayor of the city shall notify the director of
 22 the rate change after publication of the proclamation has occurred and ninety
 23 (90) days before the effective date of the tax.

24 (ii) If ~~no~~ an election challenge is not filed within
 25 the thirty-day challenge period, the ordinance or petition described in § 26-
 26 75-207 shall become effective on the first day of the first month of the
 27 calendar quarter after a minimum of sixty (60) days' notice by the director
 28 to sellers and after the expiration of the full thirty-day period of
 29 challenge.

30 (iii) The effective date of the ordinance or
 31 petition may be delayed under § 26-75-207(d).

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 33 SECTION 3. Arkansas Code § 26-75-308(d), concerning the special
 34 election to approval a municipal sales and use tax, is amended to read as
 35 follows:

36 (d)(1) The ballot may indicate an effective date for the ordinance or

1 petition or an effective date for the levy of the tax that is effective later
2 than the effective date of the ordinance or petition under § 26-75-
3 309(1)(D)(ii).

4 (2) The effective date of the ordinance or petition or the
5 effective date of the levy of the tax delayed under subdivision (d)(1) of
6 this section shall be:

7 (A) Stated in the ordinance or petition levying the tax
8 and on the ballot; and

9 (B) Scheduled on the first day of the first month of a
10 calendar quarter.

11 (3) The effective date of an ordinance or petition or a levy of
12 the tax delayed under subdivision (d)(1) of this section shall not be delayed
13 for more than thirty-six (36) months after the date the ordinance or petition
14 would be effective under § 26-75-309(1)(D)(ii).

15 (e)(1)(A) The ballot may also indicate designated uses of the revenues
16 derived from the sales or use tax.

17 (B) If the tax is approved, the proceeds shall only be
18 used for the designated purposes.

19 (2) The proceeds may be used for other designated purposes if
20 the electors approve a change in the designated use of the revenues by vote
21 under this subsection.

22 (3)(A) The governing body of a city may refer to the voters a
23 change in the designated use of revenues derived from a sales or use tax that
24 was approved by the voters.

25 (B) If the governing body of a city refers a change in the
26 designated use of revenues derived from a sales or use tax to the voters, the
27 governing body shall:

28 (i) Notify the county board of election
29 commissioners that the measure has been referred to the voters; and

30 (ii) Submit a copy of the ballot title to the county
31 board of election commissioners.

32 (C)(i) An election to change the designated use of
33 revenues derived from a sales or use tax shall be conducted in the manner
34 provided by law for all other municipal elections.

35 (ii) The results of an election under this
36 subsection shall be certified, proclaimed, and subject to challenge under the

1 procedures stated in § 26-75-309.

2 (4) If the voters approve a change in the designated use of
3 revenues derived from a sales or use tax, the change in the designated use
4 shall apply to all revenues collected on the first day of the calendar month
5 following the expiration of the thirty-day challenge period under § 26-75-
6 309.

7 (5)(A) If the voters do not approve a change in the designated
8 use of revenues derived from a sales or use tax, the tax shall continue to be
9 collected, and the revenues derived from the tax shall continue to be used
10 for the purposes indicated in the ballot for the tax.

11 (B) An election to change the designated use of revenues
12 derived from a sales or use tax shall not constitute an election on the levy
13 of the tax.

14 (6) Any city that has levied a local sales and use tax under
15 this subchapter with a portion of the revenues derived from the tax pledged
16 to secure lease rentals or bonds may not change the tax to reduce the pledge
17 in favor of the lease or bonds.

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19 SECTION 4. Arkansas Code § 26-75-309(1)(D), concerning the effective
20 date of an ordinance for the levy of a municipal sales and use tax, is
21 amended to read as follows:

22 (D)(i) The mayor of the city shall notify the director after
23 publication of the proclamation has occurred and ninety (90) days before the
24 effective date of the tax.

25 (ii) If ~~no~~ an election challenge is not filed within
26 the thirty-day challenge period, the ordinance or petition described in § 26-
27 75-307 shall become effective on the first day of the first month of the
28 calendar quarter after a minimum of sixty (60) days' notice by the director
29 to sellers and after the expiration of the full thirty-day period of
30 challenge.

31 (iii) The effective date of the ordinance or
32 petition may be delayed under § 26-75-308(d).

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34 **APPROVED: 4/6/2009**

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