

# Hall of the House of Representatives

85th General Assembly - Regular Session, 2005

## Amendment Form

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### Subtitle of House Bill No. 2475

"TO AMEND THE PROCEDURES FOR ABOLISHING MUNICIPAL SALES AND USE TAXES."

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### Amendment No. 2 to House Bill No. 2475.

Amend House Bill No. 2475 as engrossed, H3/9/05 (version: 03-09-2005 09:32):

Delete Sections 1 and 2 and substitute the following:

"SECTION 1. Arkansas Code § 26-75-210 is amended to read as follows:  
26-75-210. Abolishment of tax.

(a)(1) Except as set forth in subsection (b) of this section, in any city in which a city sales and use tax has been adopted in the manner provided in this subchapter, and subsequent to the adoption of the city tax the county in which the city is located enacts a county sales and use tax, then the city may abolish its sales and use tax by:

(A) By a roll call of two-thirds (2/3) of all the members elected to the ~~city council~~ governing body of the city, excluding the mayor;  
or

(B) After an election called by:

(i) Action of the governing body of the city; or ~~by~~  
a

(ii) A petition of the qualified voters in the city.  
~~Where no county sales and use tax has been imposed, then in any city in which a local sales and use tax has been adopted in the manner provided for in this subchapter,~~

(2) In all other cases, except under subsection (b) of this section, the city may abolish ~~such~~ all or a portion of the sales and use tax after, and only after, an election called by action of its governing body or by a petition of the qualified voters in the city by:

(A) A roll call vote of two-thirds (2/3) of all members elected to the governing body of the city, excluding the mayor, if the governing body of the city has determined that the purposes of the tax cannot be fulfilled or cannot continue to be fulfilled; or

(B) After an election called by:

(i) Action of the governing body of the city; or

(ii) A petition of the qualified voters in the city.

(3) ~~As to such petitions of the qualified voters, the provision of Arkansas Constitution, Amendment 7, with reference to initiative procedures, together with any ordinances of the city governing such~~



~~initiative procedures pursuant to the authority granted to municipalities by Amendment 7, shall govern the petition procedure and the calling and holding of an election with reference to abolishment of such tax~~ The initiative procedures in Arkansas Constitution, Article 5, § 1 and any ordinances of the city governing initiative procedures shall govern the petition of the qualified voters under subsection (a) of this section and the calling and holding of an election concerning the abolishment of the tax.

(4) The governing body of the city may call for such an election according to the procedures set forth in this subchapter for the calling of the initial election on such question.

(5)(A) The ballot title for use in any such election shall be substantially the same as indicated in § 26-75-208(b) except that the word "ABOLITION" shall be substituted for the word "ADOPTION" as it appears in the ballot title set forth in that subsection § 26-75-208(b). The effective dates of any affirmative vote to abolish such tax shall correspond to the dates indicated in § 26-75-209 for the initial effective date of such tax.

(B) A ballot title that contains a question for qualified voters on whether to continue the levy of a local sales and use tax complies with this subdivision (a)(5).

(b)(1) In any city in which a local sales and use tax has been adopted in the manner provided for in this subchapter and all or any portion pledged to secure the payment of lease rentals or bonds as authorized by this subchapter, that portion of the tax pledged to lease rentals or bonds shall not be repealed, abolished, or reduced so long as the lease is in effect or any of ~~such~~ the bonds are outstanding.

(2) Bonds shall not be deemed outstanding to the extent that sufficient tax collections have been set aside to pay the bonds when due.

(c) The effective date of any affirmative vote of the qualified voters to abolish the tax under subsection (a) of this section shall correspond to the dates indicated in § 26-75-209 for the initial effective date of the tax.

(d)(1)(A) Beginning on the effective date of this subdivision (d)(1)(A) and ending on the effective date of subdivision (d)(1)(B) of this section, the effective date of any affirmative vote by the governing body of the city to abolish the tax under subsection (a) of this section shall be on the first day of the calendar quarter after the expiration of thirty (30) days from the date a written statement signed by the chief executive officer of the city abolishing the tax is filed with the Director of the Department of Finance and Administration certifying that the governing body of the city has adopted an ordinance abolishing the tax.

(B)(i) Except as provided in subdivision (d)(1)(A) of this section, the effective date of any affirmative vote by the governing body of the city to abolish the tax under subsection (a) of this section shall be on the first day of the calendar quarter after the expiration of ninety (90) days from the date a written statement signed by the chief executive officer of the city abolishing the tax is filed with the Director of the Department of Finance and Administration certifying that the governing body of the city has adopted an ordinance abolishing the tax.

(ii) Subdivision (d)(1)(B)(i) of this section shall be effective on the first day of the first calendar quarter following the effective date of the Streamlined Sales Tax Agreement, which becomes effective when at least ten (10) states comprising at least twenty percent (20%) of the total population as determined by the 2000 Federal Decennial

Census of all states imposing a state sales tax have petitioned for membership and have been found to be in compliance with the requirements of the Streamlined Sales Tax Agreement.

(2) A copy of the ordinance shall be attached to the certificate.

SECTION 2. Arkansas Code § 26-75-310 is amended to read as follows:  
26-75-310. Abolishment of tax.

(a)(1) In any city in which a local sales and use tax has been adopted in the manner provided for in this subchapter and all or any portion pledged to secure the payment of lease rentals or bonds as authorized by this subchapter, that portion of the tax pledged to lease rentals or bonds shall not be abolished so long as the lease is effective or any of the bonds are outstanding.

(2) Bonds shall not be deemed outstanding to the extent that there are sufficient tax collections set aside to pay the bonds when due.

(b) The city may abolish all or that portion of the sales and use tax that is not pledged to lease rentals during which the lease is effective or to outstanding bonds ~~after, and only after, an:~~

(1) By a roll call vote of two-thirds (2/3) of all members elected to the governing body of the city, excluding the mayor, if the governing body of the city has determined that the purposes of the tax cannot be fulfilled or cannot continue to be fulfilled; or

(2) After an election called by ~~action:~~

(A) Action of ~~it's~~ the city's governing body; or by a

(B) A petition of the qualified voters in the city.

(c) ~~As to such a petition of the qualified voters, the provisions of Arkansas Constitution, Amendment 7, with reference to initiative procedures, together with any ordinances of the city governing these initiative procedures, pursuant to the authority granted to municipalities by Amendment 7, shall govern the petition procedure and the calling and holding of an election with reference to abolishment of such tax~~ The initiative procedures in Arkansas Constitution, Article 5, § 1 and any ordinances of the city governing initiative procedures shall govern the petition of the qualified voters under subsection (b) of this section and the calling and holding of an election concerning the abolishment of the tax.

(d) The governing body of the city may call for ~~such~~ an election according to the procedures set forth in this subchapter for the calling of the initial election on ~~such~~ the question.

(e)(1) The ballot title for use in ~~any such~~ the election shall be substantially the same as indicated in § 26-75-308(b), except that the word "ABOLITION" shall be substituted for the word "ADOPTION" as it appears in the ballot title set forth in ~~that subsection~~ § 26-75-308(b).

(2) A ballot title that contains a question for qualified voters on whether to continue the levy of a local sales and use tax complies with this subsection (e).

(f) The effective dates of any affirmative vote by the qualified voters to abolish ~~such tax~~ the tax under subdivision (b)(2) of this section shall correspond to the dates indicated in § 26-75-309 for the initial effective date of ~~such~~ the tax.

(g)(1)(A) Beginning on the effective date of this subdivision (g)(1)(A) and ending on the effective date of subdivision (g)(1)(B) of this

section, the effective date of any affirmative vote by the governing body of the city to abolish the tax under subsection (b) of this section shall be on the first day of the calendar quarter after the expiration of thirty (30) days from the date a written statement signed by the chief executive officer of the city abolishing the tax is filed with the Director of the Department of Finance and Administration certifying that the governing body of the city has adopted an ordinance abolishing the tax.

(B)(i) Except as provided in subdivision (g)(1)(A) of this section, the effective date of any affirmative vote by the governing body of the city to abolish the tax under subsection (b) of this section shall be on the first day of the calendar quarter after the expiration of ninety (90) days from the date a written statement signed by the chief executive officer of the city abolishing the tax is filed with the Director of the Department of Finance and Administration certifying that the governing body of the city has adopted an ordinance abolishing the tax.

(ii) Subdivision (g)(1)(B)(i) of this section shall be effective on the first day of the first calendar quarter following the effective date of the Streamlined Sales Tax Agreement, which becomes effective when at least ten (10) states comprising at least twenty percent (20%) of the total population as determined by the 2000 Federal Decennial Census, of all states imposing a state sales tax have petitioned for membership and have been found to be in compliance with the requirements of the Streamlined Sales Tax Agreement.

(2) A copy of the ordinance shall be attached to the certificate."

The Amendment was read \_\_\_\_\_  
By: Representative Glidewell  
BBC/BBC - 03-15-2005 13:08  
BBC366

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Chief Clerk