

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 1270 of the Regular Session

As Engrossed: H3/9/05 H3/16/05

A Bill

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

HOUSE BILL 2475

4  
5 By: Representatives Glidewell, Medley, Childers  
6 By: Senator Altes

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

10 AN ACT TO AMEND THE PROCEDURES FOR ABOLISHING  
11 MUNICIPAL SALES AND USE TAXES; AND FOR OTHER  
12 PURPOSES.

13  
14 **Subtitle**

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

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

20  
21 *SECTION 1. Arkansas Code § 26-75-210 is amended to read as follows:*  
22 *26-75-210. Abolishment of tax.*

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

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

30 *or*

31 *(B) After an election called by:*

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

33 *&*

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

35 *~~Where no county sales and use tax has been imposed, then in any city in which~~*



1 ~~a local sales and use tax has been adopted in the manner provided for in this~~  
2 ~~subchapter,~~

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

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

11 (B) After an election called by:

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

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

14 (3) As to such petitions of the qualified voters, the provision  
15 of Arkansas Constitution, Amendment 7, with reference to initiative  
16 procedures, together with any ordinances of the city governing such  
17 initiative procedures pursuant to the authority granted to municipalities by  
18 Amendment 7, shall govern the petition procedure and the calling and holding  
19 of an election with reference to abolishment of such tax. The initiative  
20 procedures in Arkansas Constitution, Article 5, § 1 and any ordinances of the  
21 city governing initiative procedures shall govern the petition of the  
22 qualified voters under subsection (a) of this section and the calling and  
23 holding of an election concerning the abolishment of the tax.

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

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

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

36 (b)(1) In any city in which a local sales and use tax has been adopted

1 in the manner provided for in this subchapter and all or any portion pledged  
2 to secure the payment of lease rentals or bonds as authorized by this  
3 subchapter, that portion of the tax pledged to lease rentals or bonds shall  
4 not be repealed, abolished, or reduced so long as the lease is in effect or  
5 any of ~~such~~ the bonds are outstanding.

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

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

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

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

28 (ii) Subdivision (d)(1)(B)(i) of this section shall  
29 be effective on the first day of the first calendar quarter following the  
30 effective date of the Streamlined Sales Tax Agreement, which becomes  
31 effective when at least ten (10) states comprising at least twenty percent  
32 (20%) of the total population as determined by the 2000 Federal Decennial  
33 Census of all states imposing a state sales tax have petitioned for  
34 membership and have been found to be in compliance with the requirements of  
35 the Streamlined Sales Tax Agreement.

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

1 certificate.

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

4 26-75-310. Abolishment of tax.

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

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

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

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

20 (2) After an election called by action:

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

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

23 ~~(c) As to such a petition of the qualified voters, the provisions of~~  
24 ~~Arkansas Constitution, Amendment 7, with reference to initiative procedures,~~  
25 ~~together with any ordinances of the city governing these initiative~~  
26 ~~procedures, pursuant to the authority granted to municipalities by Amendment~~  
27 ~~7, shall govern the petition procedure and the calling and holding of an~~  
28 ~~election with reference to abolishment of such tax~~ The initiative procedures  
29 in Arkansas Constitution, Article 5, § 1 and any ordinances of the city  
30 governing initiative procedures shall govern the petition of the qualified  
31 voters under subsection (b) of this section and the calling and holding of an  
32 election concerning the abolishment of the tax.

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

36 (e)(1) The ballot title for use in ~~any such~~ the election shall be

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

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

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

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

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

28 (ii) Subdivision (g)(1)(B)(i) of this section shall  
29 be effective on the first day of the first calendar quarter following the  
30 effective date of the Streamlined Sales Tax Agreement, which becomes  
31 effective when at least ten (10) states comprising at least twenty percent  
32 (20%) of the total population as determined by the 2000 Federal Decennial  
33 Census, of all states imposing a state sales tax have petitioned for  
34 membership and have been found to be in compliance with the requirements of  
35 the Streamlined Sales Tax Agreement.

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

1 certificate.

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*/s/ Glidewell, et al*

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*APPROVED: 03/29/2005*

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