

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1308

5 By: Representative L. Fite
6 By: Senator Hill
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW TO PROVIDE FOR CHANGES
10 RELATED TO ARKANSAS CONSTITUTION, AMENDMENT 101; TO
11 ALLOW FOR REVENUES FROM THE SALES AND USE TAX LEVIED
12 UNDER ARKANSAS CONSTITUTION, AMENDMENT 101, TO BE
13 USED FOR BONDS FOR SURFACE TRANSPORTATION PROJECTS;
14 TO AMEND THE LAW REGARDING THE DEDUCTION, TRANSFER,
15 DISTRIBUTION, AND REFUND OF REVENUES FROM THE SALES
16 AND USE TAX LEVIED UNDER ARKANSAS CONSTITUTION,
17 AMENDMENT 101; TO DECLARE AN EMERGENCY; AND FOR OTHER
18 PURPOSES.
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Subtitle

21 TO AMEND THE LAW TO PROVIDE FOR CHANGES
22 RELATED TO ARKANSAS CONSTITUTION,
23 AMENDMENT 101; AND TO DECLARE AN
24 EMERGENCY.
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28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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30 SECTION 1. Arkansas Code § 14-164-341 is amended to read as follows:
31 14-164-341. Bonds for surface transportation projects.

32 (a) The governing body of a municipality or county may pledge by
33 ordinance all or a specified portion of the municipality's or county's share
34 of collections of the following ~~temporary one-half percent (1/2%) sales and use~~
35 ~~tax levied under Arkansas Constitution, Amendment 91,~~ to retire bonds issued
36 for a surface transportation project;



1 (1) The temporary one-half percent (½%) sales and use tax levied
2 under Arkansas Constitution, Amendment 91; or

3 (2) The one-half percent (½%) sales and use tax levied under
4 Arkansas Constitution, Amendment 101.

5 (b)(1) An ordinance pledging revenues under subsection (a) of this
6 section is not effective unless the issuance of the bonds is approved by a
7 majority of the electors of the municipality or county voting on the question
8 at an election that is held substantially in the manner provided under § 14-
9 164-309.

10 (2) The ballot form in an election to issue bonds secured by the
11 pledge of revenues under subsection (a) of this section shall contain a
12 statement describing the extent to which the municipality's or county's share
13 of collections of the temporary one-half percent (½%) sales and use tax
14 levied under Arkansas Constitution, Amendment 91, or the one-half percent
15 (½%) sales and use tax levied under Arkansas Constitution, Amendment 101, may
16 be pledged to the retirement of the bonds issued for the surface
17 transportation project if the bonds are approved by the voters of the
18 municipality or county.

19 (c) Bonds issued under this section that are secured by collections of
20 the temporary one-half (½%) sales and use tax levied under Arkansas
21 Constitution, Amendment 91, shall not have a final maturity date later than
22 July 1, 2023.

23 (d) A certified copy of the ordinance authorizing the issuance of
24 bonds under this section shall be filed with the Secretary of the Department
25 of Finance and Administration and the Treasurer of State as soon as
26 practicable after the approval of the issuance of the bonds by the voters.

27 (e)(1) If a municipality or county has filed an ordinance with the
28 Treasurer of State under subsection (d) of this section and the
29 municipality's or county's share of collections of the temporary one-half
30 percent (½%) sales and use tax levied under Arkansas Constitution, Amendment
31 91, or the one-half percent (½%) sales and use tax levied under Arkansas
32 Constitution, Amendment 101, is to be distributed to the municipality or
33 county from the Municipal Aid Fund or the County Aid Fund, the Treasurer of
34 State shall separately identify the amount of funds to be distributed to the
35 municipality or county under Arkansas Constitution, Amendment 91, or Arkansas
36 Constitution, Amendment 101.

1 (2) If a municipality or county has filed an ordinance with the
2 Treasurer of State under subsection (d) of this section, the municipality or
3 county may elect to have the funds identified by the Treasurer of State under
4 subdivision (e)(1) of this section distributed to the bank or other
5 depository designated in the ordinance.

6 (3)(A) If a municipality or county elects to have funds
7 distributed to a bank or other depository under subdivision (e)(2) of this
8 section, the amount identified by the Treasurer of State under subdivision
9 (e)(1) of this section shall be distributed to the bank or other depository
10 designated in the ordinance rather than being distributed to the municipality
11 or county.

12 (B) The distribution under subdivision (e)(3)(A) of this
13 section shall continue until the municipality or county files a signed
14 statement with the Treasurer of State to the effect that the bonds to which
15 the funds identified under subdivision (e)(1) of this section are pledged
16 have been fully paid and are no longer outstanding.

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18 SECTION 2. Arkansas Code § 19-5-207 is amended to read as follows:
19 19-5-207. Certain sales and use taxes not subject to deduction,
20 transfer, or distribution.

21 The sales and use taxes levied under Arkansas Constitution, Amendment
22 91, § 3, and Arkansas Constitution, Amendment 101, § 2, are not subject to
23 deduction, transfer, or distribution to the Constitutional Officers Fund or
24 the State Central Services Fund under §§ 19-5-202, 19-5-203, and 19-5-205.

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26 SECTION 3. Arkansas Code § 26-52-447(c), concerning the sales tax
27 exemption for the partial replacement and repair of certain machinery and
28 equipment, is amended to read as follows:

29 (c) The excise tax of one-eighth of one percent ($\frac{1}{8}$ of 1%) levied in
30 Arkansas Constitution, Amendment 75, ~~and~~ the temporary excise tax of one-half
31 percent (0.5%) levied in Arkansas Constitution, Amendment 91, and the excise
32 tax of one-half percent (0.5%) levied in Arkansas Constitution, Amendment
33 101, are not subject to refund under this section.

34
35 SECTION 4. Arkansas Code § 26-53-149(c), concerning the use tax
36 exemption for the partial replacement and repair of certain machinery and

1 equipment, is amended to read as follows:

2 (c) The excise tax of one-eighth of one percent (0.125%) levied in
 3 Arkansas Constitution, Amendment 75, ~~and~~ the temporary excise tax of one-half
 4 percent (0.5%) levied in Arkansas Constitution, Amendment 91, and the excise
 5 tax of one-half percent (0.5%) levied in Arkansas Constitution, Amendment
 6 101, are not subject to refund under this section.

7
 8 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
 9 General Assembly of the State of Arkansas that, with the expiration of the
 10 temporary one-half percent (0.5%) sales and use tax levied under Arkansas
 11 Constitution, Amendment 91, there will be a shortage of moneys at the
 12 municipal and county level to fund contracts for surface transportation
 13 projects for which there is an immediate need in this state; that
 14 municipalities and counties can obtain funding for surface transportation
 15 projects by issuing bonds; that municipalities and counties have had the
 16 authority, with voter approval, to issue bonds payable from their share of
 17 the collections of the temporary one-half percent (0.5%) sales and use tax
 18 levied under Arkansas Constitution, Amendment 91; that the stated intent of
 19 Arkansas Constitution, Amendment 101, is "that the sales and use tax levied
 20 under Arkansas Constitution, Amendment 91, continue after the retirement of
 21 the bonds authorized in Arkansas Constitution, Amendment 91, to provide
 22 special revenue for use of maintaining, repairing, and improving the state's
 23 system of highways, county roads, and city streets"; and that this act is
 24 immediately necessary because municipalities and counties need to have the
 25 authority, with voter approval, to issue bonds payable from their share of
 26 collections of the one-half percent (0.5%) sales and use tax levied under
 27 Arkansas Constitution, Amendment 101, to continue to finance surface
 28 transportation projects. Therefore, an emergency is declared to exist, and
 29 this act being immediately necessary for the preservation of the public
 30 peace, health, and safety shall become effective on:

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

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

35 (3) If the bill is vetoed by the Governor and the veto is
 36 overridden, the date the last house overrides the veto. **APPROVED: 2/24/23**